Ethical Rules (I.) and General Terms and Conditions for Distribution Partners (II.)

I. Ethical Rules

On behalf of our Company, we welcome you as a new distribution partner (hereinafter: Distribution Partner) and wish you every success in your work as an independent Distribution Partner of LECTERA DMCC, Office units 2005 to 2008, Platinum Tower, Cluster I, Jumeirah Lake Towers, Dubai, UAE, CEO - Liudmila Semeshkina, and, most importantly, we hope that you will enjoy distributing our goods (under Section 2 of the General Terms and Conditions for Distribution Partners, you will learn which goods these are). When it comes to the distribution of our goods and contact with other people, consumer friendliness and safety, reliability, fair cooperation and compliance with the law and good manners are always our main priority. This applies to the entire direct marketing industry environment.

Therefore, we ask that you read the following ethical rules as well our General Terms and Conditions for Distribution Partners thoroughly and make these provisions the guidelines in your work.

Ethical rules for dealing with consumers

• Our Distribution Partners provide honest and sincere advice to their customers and clarify any potential misunderstandings with regard to the goods, the business opportunity or other statements during the consultation.

• At the customer’s request, the sales talk will be foregone, postponed or, if the talk has already started, interrupted.

• During the contact with the customer, the Distribution Partner informs the consumer about all aspects concerning the goods (e.g. intended purpose, quality, use) or also – at the customer’s request – the distribution options.

• All information regarding the goods must be comprehensive and truthful.

• A Distribution Partner does not persuade the consumer to buy products by making dubious and/or misleading promises or by promising special benefits, if these benefits are dependent on any future, uncertain success.

• A Distribution Partner is not allowed to provide information on their remuneration or the potential remuneration of other distribution partners. Furthermore, a Distribution Partner must not guarantee any remuneration or raise expectations.

• A Distribution Partner is not allowed to claim that the remuneration schedule or the goods of Lectera are authorized, approved or supported by an official authority.

Ethical rules for dealing with distribution partners
• Distribution Partners always treat each other with fairness and respect. The above also applies to the conduct vis-à-vis distribution partners of other network marketing companies, online stores or other direct marketers.

• New distribution partners are truthfully informed about their rights and obligations. The Distribution Partner must not provide any information on potential sales and earning possibilities.

• No oral guarantees regarding the goods of Lectera must be provided.

• Distribution Partners are not allowed to solicit distribution partners of other companies. Furthermore, Distribution Partners are not allowed to persuade other distribution partners to switch sponsors within Lectera.

• As ethical rules, the obligations of Sections 7 – 10 of the following General Terms and Conditions for Distribution Partners must always be adhered to.

**Ethical rules for dealing with other companies**

• The Distribution Partners of Lectera are always fair and honest towards other companies active in network marketing, the area of social selling or other areas of direct marketing.

• The Distribution Partners refrain from systematically soliciting distribution partners of other companies.

• Derogatory, misleading or unfair comparative statements regarding the goods or distribution systems of other companies are prohibited.

In light of these Ethical Rules of our Company, we would now like to introduce you to the General Terms and Conditions for Distribution Partners of Lectera.

**II. General Terms and Conditions for Distribution Partners**

**Section 1 Scope**

(1) The following General Terms and Conditions are part of each distribution partner agreement between LECTERA DMCC, Office units 2005 to 2008, Platinum Tower, Cluster I, Jumeirah Lake Towers, Dubai, UAE, CEO - Liudmila Semeshkina (hereinafter: Lectera), info@lectera.com and the independent contractual partner, affiliate, partner program participant or team partner (hereinafter: Distribution Partner).

(2) Lectera provides its services exclusively on the basis of these General Terms and Conditions for Distribution Partners.

**Section 2 Subject matter of the agreement, equipment packages and additional services**

(1) Lectera is an innovative distribution company that sells quality training, education and consumer services also as digital offers and services in the area of direct marketing (hereinafter: Goods) to its end customers.
(2) The Distribution Partner has, without being obligated to do so, the option to distribute at his own discretion Goods on behalf of Lectera so that the distribution of these Goods is the foundation of the business of a Distribution Partner. The Distribution Partner receives a corresponding commission for their work. This work does not require the Distribution Partner to incur any financial expenses, nor is it mandatory that the Distribution Partner purchase a minimum quantity of Goods from Lectera or recruit other Distribution Partners. Only the free registration is required.

(3) In addition, the Distribution Partner has, without being obligated to do so, the additional option to recruit other distribution partners for the distribution of the Goods of Lectera and to receive a commission on the Goods distributed by the recruited distribution partner. The Distribution Partner does expressly not receive a commission for the mere recruitment of a new distribution partner. The commission and the payment method or other fulfillment of the claim to provision depends on the respectively applicable remuneration schedule.

(4) In order to enable the Distribution Partner to start his work, Lectera provides to the Distribution Partner in addition to one/or more landing pages, an online Back Office, which allows the Distribution Partner to always have an up-to-date and comprehensive overview of their sales, commissions and the customers and down-line developments. In addition, the Distribution Partner may, without being obligated to do so, purchase various equipment and/or services packages (hereinafter: Business Mastery Subscription) for a fee. The Distribution Partner can view the content and prices of the individual Business Packages and the personalized online presence in the Back Office.

Section 3 General conditions for the conclusion of contracts

(1) Contracts may be concluded with legal entities, business partnerships or natural persons, who and/or whose legal guardian are/is 18 years or older and who are/is entrepreneur(s) in accordance with applicable law, and, if necessary, hold(s) a business license. Contracts cannot be concluded by consumers.

(2) If a legal entity or business partnership (GbR, OHG, KG etc.) submits a distribution partner application, it must submit a corresponding commercial register extract showing the registration – as far as such an extract is available in the case of a business partnership – as well as the VAT identification number. All partners must be 18 years or older. In the relationship with Lectera, each partner is personally liable for the conduct of the legal entity.

(3) Each Distribution Partner may only acquire one position in the remuneration schedule; a circumvention of this provision by registering as a natural person and, in addition, via a legal entity or business partnership is prohibited.

(4) The Distribution Partner is obligated to complete the online distribution partner application completely and properly and to return it to Lectera electronically. In addition, the Distribution Partner acknowledges these General Terms and Conditions for Distribution Partners and accepts them as part of the agreement by checking the respective box on the application. Lectera reserves the right to obtain further information from the Distribution Partner in individual cases.
(5) When registering, the Distribution Partner must choose their email address and a password; subsequently, the Distribution Partner will receive a confirmation email with the access data at the email address provided. After the receipt of the access data, the Distribution Partner can create a profile on the online platform and has access to the content provided on the online platform:

(6) Any changes of the Distribution Partner's personal data must be reported to Lectera immediately.

(7) Lectera reserves the right to reject distribution partner applications at its own discretion without justification. Where online order forms are used, these forms are considered part of the contract.

(8) In case of violations of the obligations set forth in paragraphs (1), (2) and (4), Lectera has the right to terminate the distribution partner agreement without notice and to demand repayment of any commissions that might have been paid without prior warning. In addition, Lectera expressly reserves the right to assert further claims for damages in case of a termination without notice.

Section 4 Entrepreneur status of the Distribution Partner

(1) The Distribution Partner acts as an independent entrepreneur. They are neither an employee nor a sales representative or agent of Lectera. There are no sales requirements or purchase or distribution obligations or obligations to perform other activities. With the exception of the contractual obligations, the Distribution Partner is not subject to any instructions from Lectera and bears the full entrepreneurial risk of their business activities including the obligation to pay all their business costs and the obligation to duly pay their employees, if they have employees.

The Business Partner must set up and operate their business in the way a prudent businessman would, which also includes operating business premises or managing a workplace in the way a prudent business man would.

(2) As an independent entrepreneur, the Distribution Partner is responsible for complying with the applicable statutory provisions including tax and social law requirements (e.g. obtaining a VAT ID number, registering their employees with social insurance, and obtaining a business license, if required). The Distribution Partner ensures in this regard that any commission income generated in the context of their work for Lectera will be duly taxed at the place of their registered office. Lectera reserves the right to deduct the respective amount for taxes and surcharges from the agreed commission and/or to claim compensation for damages or expenses that Lectera incurs due to a violation of the aforementioned provisions, unless the Distribution Partner is not responsible for the damage or the expenses. Lectera does not pay any social insurance contributions for the Distribution Partner. The Distribution Partner is not authorized to make declarations or to enter into commitments in the name of Lectera.

Section 5 Provisions regarding the voluntary contractual cancellation right

You register with Lectera as an entrepreneur, not a consumer, which means that you are not entitled to a statutory cancellation right. However, Lectera grants you the following voluntary, two-week, contractual cancellation right.
Voluntary cancellation right

You may cancel your contract within two weeks without justification in text form (per letter or email). The cancellation period begins upon the online submission of the distribution partner application. For compliance with the cancellation period, it is sufficient if the cancellation is sent in due time (date of the post mark/email).

The cancellation must be addressed to LECTERA DMCC, Office units 2005 to 2008, Platinum Tower, Cluster I, Jumeirah Lake Towers, Dubai, UAE; support@lectera.com

Waiver of the cancellation right

Goods or other services will only be handed over/transfered/provided after the expiry of the cancellation period. If the Distribution Partner wishes that the hand-over/transfer/provision take place before the expiry of the cancellation period, they expressly waive their cancellation right through said request.

Consequence of cancellation:

In case of the effective cancellation of the contract, both sides must return any services already received and surrender, if applicable, any benefits obtained. If you are not able to return the received services in their entirety or parts thereof, or are only able to return them in a deteriorated condition, you will have to compensate us, if applicable, for the lost value. Obligations for refunding payments must be fulfilled within 30 days. For you, this 30-day period begins when you send your cancellation declaration or the goods.

After exercising his cancellation right, a Distribution Partner may once again register with Lectera. However, at least 6 months must have passed since the Distribution Partner has exercised their cancellation right and the cancelling Distribution Partner must not have performed any activities for Lectera in the meantime.

End of the provisions regarding the cancellation right

Section 6 Administration, management and processing fee / royalties

(1) Through the registration with Lectera and the purchase of a Business Mastery Subscription, the Distribution Partner acquires the right to use the landing page and Back Office provided and the additional videos and other tools provided therein on a monthly basis according to the contract. The above right of use is a simple, non-transferable right of use relating to the specific landing page, the Back Office and the additional videos and other tools provided therein. The Distribution Partner does not have the right to make changes, to edit or to make other modifications nor the right to grant sub-licenses. The aforementioned right of use also includes
the maintenance, service, update and upgrade fees so that the collected fee will hereinafter be referred to as Service Fee.

(2) As of the 2nd month of the contract, or if the Distribution Partner registers without purchasing a Business Mastery Subscription, Lectera charges a separate monthly Service Fee within the scope of paragraph (1), the term and payment of which results from Sec. 16 (1) and the amount of which can be inferred from the respective price table of Lectera.

Section 7 Obligations of the Distribution Partner in the context of advertising and general obligations

(1) The Distribution Partner is obligated to protect their personal passwords and login information from any third-party access. The Distribution Partner is prohibited from violating the rights of Lectera, its distribution partners, affiliated companies or other third parties, from harassing third parties and from otherwise violating applicable law during the performance of their work. The Distribution Partner is, in particular, not allowed to make any wrong or misleading statements regarding Lectera products or the distribution system of Lectera. In the context of their marketing and advertising activities, the Distribution Partner will only make statements regarding the Goods of the Lectera range of products and the Lectera distribution system the content of which is in accordance with the advertising and information material of Lectera. Furthermore, sending unwanted advertising emails, advertising faxes or advertising text messages (spam) is also prohibited. Furthermore, abuse and illegal actions, such as the use of unauthorized or unfair advertising (e.g. misleading statement) are prohibited. The abusive use of Lectera or other services of Lectera is also prohibited.

(2) The Distribution Partner is prohibited from violating competition law, the rights of Lectera, its distribution partners, affiliated companies or other third parties, from harassing third parties and from otherwise violating applicable law during the performance of his work. In this context, especially sending unwanted advertising emails, advertising faxes or advertising text messages (spam) is prohibited as well.

Special advertising guidelines

(a) At no point and in no advertising medium must the Distribution Partner provide any information or make any statements regarding their income or earning opportunities with Lectera. Instead, the Distribution Partner is obligated to always expressly point out to potential distribution partners in the context of the consultation that only a very small number of distribution partners are able to achieve a higher income with their activity for Lectera and that income is only able to be generated through very intensive, continuous work.

(b) Distribution and marketing activities must not give the impression that there are commissions that can be interpreted as "bounty" or other commissions in connection with the mere recruitment of a new distribution partner. Acts that create the impression that the advertised distribution system is an illegal distribution system, namely an illegal progressive snowball system or a pyramid scheme or another fraudulent distribution system are prohibited.
(c) Distribution and marketing activities must not be addressed to minors or persons without business experience and must never take advantage of the age, an illness or limited mental capacity of consumers in order to persuade them to concluding a contract. When the Distribution Partner has contact with socially disadvantaged sections of the population or non-German native speakers, the Distribution Partner will duly consider these groups' financial capacity and intelligence as well as their ability to understand German. The Distribution Partner must refrain from any acts that might cause the members of such groups to make orders they cannot afford.

(d) Any distribution and marketing activities that are inappropriate, illegal or unsafe and/or that put the targeted consumers under inadmissible pressure are prohibited.

(e) Vis-à-vis the consumer, the Distribution Partner will only refer to letters of recommendation, test results, references or other persons for business purposes, if they have been authorized to do so both by the reference and by Lectera and if the information referred to is accurate and not outdated. Furthermore, any letters of recommendation, tests and personal references must be related to the intended purpose.

(f) The Distribution Partner will not persuade the consumer to buy Goods by making dubious and/or misleading promises or by promising special benefits, if these benefits are dependent on any future, uncertain success. The Distribution Partners will refrain from any activity that might cause the consumer to accept the offer made only as a personal favor to the Distribution Partner making the offer, in order to end the conversation or to benefit from an advantage that is not the subject matter of the offer or to show appreciation for such an advantage.

(g) A Distribution Partner is not allowed to claim that the remuneration schedule or the Goods of Lectera are authorized, approved or supported by an official authority, or have been classified as legally compliant by a law firm.

(3) The Distribution Partner may only use, prepare and disseminate their own sales documents, their own web pages, product brochures, advertising videos or clips or other independently created on and offline media and advertising means subject to the prior approval of Lectera. Likewise, the Distribution Partner may only advertise Lectera services on their own or third-party websites subject to the prior approval of Lectera. If the partner advertises the Lectera Goods in other online media, such as social networks (e.g. Facebook or Instagram), online blogs or chat rooms (e.g. WhatsApp or Snapchat), they must at all times only use the official advertising statements of Lectera, must identify themselves in a clearly visible manner by using their complete name (anonymous posts or posts made under a pseudonym are prohibited) and must never make any statements regarding their income or earning opportunities with Lectera or advertise work with Lectera as an employee or in a similar position; likewise the Distribution Partner may only carry out the advertising activities on social media in the context of their own, personal social media channels as supplementary and additional measures, but is not allowed to create a professional social media business presence. Goods may only be sold via the "landing pages" provided by Lectera. Likewise, the Distribution Partner is prohibited from operating a joint online or social media presence together with another distribution partner or other third parties.
(4) In accordance with applicable law, the Distribution Partners may present the Lectera Goods in a revocable manner in face-to-face conversations, during home parties or events, online home parties, webinars or other online presentations.

(5) The Goods must not be offered in auctions, public and private flea markets, in swaps, stores, online stores, online markets such as eBay, Amazon or similar places of sale. Furthermore, the Distribution Partner must not present the Goods at trade fairs and exhibitions.

(6) The Distribution Partner is obligated to identify themselves in business transactions as an INDEPENDENT Lectera DISTRIBUTION PARTNER. Websites, stationary, business cards, advertising on cars as well as ads, advertising documents and the like must always show the additional information "INDEPENDENT Lectera DISTRIBUTION PARTNER". Furthermore, the Distribution Partner is prohibited from applying for or taking out loans, making expenditures, entering into commitments, opening bank accounts or concluding other contracts in the name of Lectera for or in the interest of and/or in the name of the company.

(7) Any travel expenses, out-of-pocket expenses, office costs, telephone fees or other expenses for advertising material must be borne by the Distribution Partner.

(8) The Distribution Partner is not allowed to mention brands of competitors in a negative, derogatory or illegal manner and/or make negative or derogatory statements about other companies in the course of their business activities.

(9) All presentation, advertising, training, video/film material etc. (including photographs) as well as software products, education programs and other services developed by Lectera itself are subject to copyright protection. Without the express written consent of Lectera, the Distribution Partner must not copy, disseminate, make publicly available or modify the aforementioned items or parts thereof beyond the contractually granted right of use. Especially the dissemination, copying and publication of education/training material and documents (e.g. uploading them onto YouTube or other online media) as well as changing or modifying such training material is prohibited.

(10) Likewise, the use (or modification) of the Lectera company name and sign, the registered trademarks, product designations, work titles and business names of Lectera beyond the expressly provided advertising material and other official Lectera documents is only allowed subject to written approval. Furthermore, the Distribution Partner is prohibited from registering their own trademarks, work titles, online domains or other protective rights if they contain the Lectera company name and/or sign or registered trademarks, product designations, work titles or business names of Lectera. The above also applies to trademarks, business names or work titles for which Lectera holds an exclusive right of use. The prohibition in sentence (2), above, applies both to identical and similar company names and/or signs. Relabeling virtual and other Lectera Goods is also prohibited.

(11) The Distribution Partner is not allowed to respond to requests from the press regarding Lectera, its services, the Lectera marketing plan or other Lectera services. The Distribution Partner is obligated to forward any requests from the press immediately to Lectera, at the pr@lectera.com address. Otherwise as well, the Distribution Partner will only make public
statements (e.g. television, radio, online forums) regarding Lectera, Goods of the Lectera range of products and the Lectera distribution system subject to the prior written consent of Lectera.

(12) The Distribution Partner will notify the Lectera management via the event planning system provided by Lectera for these purposes in due time before the publication of the invitation, of the location, time and content of advertising events addressing the general public. Lectera may request changes or even the cancellation of the event if this is in the interest of the company and the Lectera distribution organization including its members.

(13) Customer requests or complaints of any kind regarding the Goods, the service or the distribution system of Lectera must be passed on to Lectera immediately at the support@lectera.com.

(14) The Distribution Partner is at all times prohibited from selling or otherwise distributing their own training, marketing or sales documents to other distribution partners of Lectera.

(15) A Distribution Partner may have an entry in the Yellow Pages. However, prior to publication, the content of such an entry must be approved by Lectera and the entry must include the information "INDEPENDENT Lectera DISTRIBUTION PARTNER".

(16) Using telephone numbers subject to charges for marketing the activity or products of Lectera is not allowed.

(17) Lectera allows the Distribution Partner to purchase the Goods for their personal needs and/or for family members. At no time must the Distribution Partner persuade family members, other distribution partners or other third parties, to purchase goods beyond their personal need in order to create or fake commission claims.

(18) After the ordinary termination of their old position, a Distribution Partner may register with Lectera again. However, the termination of the old position of the Distribution Partner and the confirmation of the termination by Lectera must have occurred at least 6 months before the re-registration and the terminating Distribution Partner must not have performed any activities for Lectera in the meantime.

(19) The Distribution Partner may advertise and sell services on behalf of Lectera or recruit new distribution partners only in states where Lectera has officially entered the market.

(20) The Distribution Partner is obligated to notify Lectera immediately and truthfully of any violations of the rules of these General Terms and Conditions for Distribution Partners or other violations against applicable law on the part of other distribution partners.

**Section 8 Non-compete clause / solicitation / sale of third-party services**

(1) The Distribution Partner is allowed to sell goods and/or services of other companies, including network marketing companies, even if they are competitors.

(2) However, the Distribution Partner is prohibited from recruiting other Lectera distribution partners for the distribution of other products.
(3) Moreover, the Distribution Partner is prohibited from violating other distribution partners or other distribution agreements that he has concluded with other companies and the clauses of which are still effective through the conclusion of a distribution partner agreement.

(4) If the Distribution Partner is simultaneously working for other competitors, other companies or network, online marketing or other direct marketing companies, the Distribution Partner undertakes to set up their respective work (including the respective downline) such that there is no relation to and no mixing with their activity for the other company. The Distribution Partner must, in particular, not offer other goods and/or services than the ones from Lectera at the same time and the same location or in direct spatial proximity or on the same website, Facebook page, other social media platform or online platform, unless Lectera has expressly authorized them to do so, for example when there is an official cooperation between Lectera and the respective other company.

Section 9 Confidentiality

The Distribution Partner must keep the business secrets of Lectera and Lectera's structure absolutely confidential. The business secrets include in particular the customer and distribution partner data and the information on the downline activities as well as the information contained therein. This obligation continues to apply even after the termination of the distribution partner agreement for a period of 5 years.

Section 10 Distribution partner protection / crossline sponsoring / bonus manipulation

(1) Each active Distribution Partner who recruits a new distribution partner for the first time for the distribution of the products and Goods of Lectera, is assigned the new distribution partner in their structure in accordance with the marketing plan and the placement specifications set forth therein (distribution partner protection). The recruitment and placement of the new distribution partner must be performed via the Distribution Partner's own referral link, whereby the date and the time when Lectera receives the registration request of the new distribution partner is decisive for the assignment. If two Distribution Partners claim the same distribution partner as their "newly" sponsored distribution partner, Lectera will only consider the sponsor indicated in the first registration.

(2) Lectera is entitled to delete the account and any personal data, including the email address, of the Distribution Partner from the system, if advertising deliveries, letters, or emails are returned with the note "does not live at this address", "deceased", "not accepted", "unknown" and similar and if the Distribution Partner does not rectify the incorrect data within a period of 30 days. If Lectera incurs costs due to the non-deliverable advertising deliveries and packages, Lectera shall be entitled to claim reimbursement of said costs from the Distribution Partner, unless the Distribution Partner is not responsible for the failed delivery.

(3) Furthermore, crossline sponsoring and even the mere attempt of crossline sponsoring within the company is prohibited. Crossline sponsoring means the recruitment of a person or a company that is already a distribution partner of Lectera in another distribution line or that had a distribution partner agreement within the last 6 months. It is also prohibited to use the name of the spouse or
a relative, a business name, corporations, partnerships, trust companies or other third parties to circumvent this provision.

(4) If the Distribution Partner activates a second account in a crossline/sideline, Lectera will lock the second account as soon as it gains knowledge of it and any commissions are booked as not earned. Likewise, the downline created in the second account will remain part of that account and not be integrated into the first account. The decisive aspect for determining which account is the first account is the date and the time of the receipt of the first registration request of the Distribution Partner.

(5) The Distribution Partner is prohibited from recruiting existing distribution partners for other businesses/companies; even the attempt to do so is prohibited. Recruitment means soliciting a person or a company that is already a distribution partner of Lectera – regardless of whether in the respective Distribution Partner’s own structure or in crossline structures on behalf of another, third-party business/company. It is also prohibited to use the name of the spouse or a relative, a business name, corporations, partnerships, trust companies or other third parties to circumvent this provision.

(6) Bonus manipulation is prohibited. This includes in particular the sponsoring of distribution partners that, in reality, do not conduct the Lectera business (so-called front man) as well as the open or concealed registration of multiple accounts. It is also prohibited to use the name of the spouse, of a relative or of persons belonging to the same household, a business name, corporations, partnerships, trust companies or other third parties to circumvent this provision.

Likewise, it is prohibited to persuade third parties to sell or purchase Goods in order to achieve a better position in the remuneration schedule or to otherwise manipulate the bonuses. If the Distribution Partner nevertheless violates this provision, Lectera will book the commissions for all affected accounts as unearned as of the point in time at which the violation became known and cancel the front men accounts.

(7) The Distribution Partner is not entitled to an exclusive distribution territory.

**Section 11 Warning, contractual penalty, compensation for damages, indemnification**

(1) If the Distribution Partner violates the obligations set forth in Section 7, Lectera will send a written warning, in which it will grant the Distribution Partner a 10-day deadline for curing the violation. The Distribution Partner undertakes to compensate Lectera for the warning costs, in particular for any lawyer fees incurred due to the warning.

(2) Express reference is made to Sec. 16 paragraph (3), according to which Lectera is entitled to an extraordinary termination without prior warning in case of a violation of the obligations set forth in Sec. 8, 9 and 10 (3) and (4) and in case of particularly severe violations of Sec. 7, or other applicable contractual law or other statutory provisions. Notwithstanding the immediate extraordinary termination right set forth in Sec. 16 para. (3), Lectera may, in the event of one of the aforementioned violations of obligations, issue in individual cases, at its own discretion, a warning within the scope of paragraph (1) also with a shorter deadline for curing the violation, before declaring the extraordinary termination.
(3) If after the deadline for curing the violation set in the warning the same or essentially the same violation occurs again, or if the original violation for which the warning was sent is not cured, a contractual penalty to be determined by Lectera, at Lectera's discretion, and to be reviewed by the competent court will become due immediately. Furthermore, additional lawyer fees will be incurred for the assertion of the contractual damages; it is pointed out to the Distribution Partner at this point in time already that the Distribution Partner is obligated to reimburse such fees.

(4) Regardless of the forfeited contractual penalty, the Distribution Partner shall in addition be liable for any damages that Lectera incurs due to the violation of obligations within the scope of Sections 7-9 and Sec. 10 paras. 3 and 4, unless the Distribution Partner is not responsible for the violation.

(5) If claims are asserted by a third party due to violations against the obligations set forth in Sections 7-9 and Sec. 10 paras. 3 and 4 or due to another violation of applicable law on the part of the Distribution Partner, the Distribution Partner shall indemnify Lectera upon Lectera’s first request from any liability. The Distribution Partner undertakes in particular to bear any costs, especially lawyer and court fees and compensation costs that Lectera incurs in this context.

Section 12 Price adjustments

Especially in light of changes of the market situation and/or the distribution structure, Lectera reserves the right to change the prices payable by the Distribution Partner or the commission percentages associated with the services, the remuneration schedule or the usage fees at the beginning of a new invoicing period, and, in particular, to increase prices or to adjust the commissions to the conditions in the market. Lectera shall notify the Distribution Partner of the change in due time before the respective change is made. In case of price increases by more than 5% or changes to the remuneration schedule to the detriment of the Distribution Partner by more than 5%, the Distribution Partner has the right to object to the respective change. If the Distribution Partner does not object to the changed conditions within one month after their announcement, the changed conditions shall become part of the agreement. Changes known at the time of the conclusion of the distribution partner agreement do not need to be announced to the Distribution Partner and do not give rise to a right to object on the part of the Distribution Partner. In case of objection, Lectera shall be entitled to terminate the agreement as of the point in time at which the changed or supplementary terms and conditions enter into effect.

Section 13 Advertising material, bonuses, data processing

Any free advertising material and other bonuses provided by Lectera may be revoked at any time with future effect.

Section 14 Remuneration / terms of payment / commission payment modalities / prohibition of assignment

(1) As a remuneration for their work, the Distribution Partner shall, if the Distribution Partner achieves the necessary qualifications, receive commissions and other remuneration that, along with the qualification requirements, can be inferred from the Lectera remuneration schedule. Any claims to commission can be inferred from the respectively applicable remuneration schedule,
which the Distribution Partner can retrieve in their Back Office, and which can respectively be viewed in the Back Office. At the choice of the Distribution Partner, the remuneration may either be paid in Fiat money or in crypto coins accepted by Lectera, whereby, in case of crypto coin payments, the exchange rate stored in the Back Office of Lectera at the time when the payment is initiated shall apply; this exchange rate might deviate from the exchange rate used in online exchanges. Unless otherwise contractually agreed, the remuneration payment shall cover all the costs that the Distribution Partner incurs for the maintenance and conduction of their business.

(2) Lectera reserves the right to request the Distribution Partner to provide proof of their identity, address and business registration (e.g. provision of the business license) before making the first commission payment. At Lectera's choice, the proof of business registration, identity and address can be provided in the form of a copy of the business license and the identity card or passport together with a current electricity, gas, water or other consumption invoice or another document from the registry office (not older than one month) via the specified electronic channel, without undue delay, no later than within 2 weeks after the corresponding request has been made. In case of legal entities or business partnerships or registered merchants, a proof of identity of the person in charge (e.g. managing director or personally liable partner) and – if an entry in the commercial register has been made – a copy of the current commercial register extract (not older than one month) must be provided. Furthermore, the Distribution Partner must provide their baking details before the first commission payment.

(3) Initially, Lectera will treat the Distribution Partner as a small business owner. Providing their VAT identification number, the Distribution Partner will notify Lectera immediately if they opt to charge sales tax (value added tax) in the context of their business activity or if they exceeds the small business threshold. As soon as the Distribution Partner's claim to commission exceeds a monthly claim of EUR 1,300 for the first time, Lectera will no longer treat the Distribution Partner as a small business owner, which means that, at that point, Lectera will ask the Distribution Partner to provide their VAT identification number, which must be provided to Lectera without undue delay, however, no later than within 14 days as of the receipt of the corresponding request; if the Distribution Partner does not have a VAT identification number, they must provide evidence of their submission of a request for a VAT identification number within the above mentioned deadline. Lectera will only pay the commission once the VAT identification number has been provided and, until then, make use of its right of retention. Express reference is made to the option of blocking pursuant to Sec. 15 (1) of these General Terms and Conditions for Distribution Partners.

(4) Unless a deviating account has been expressly and separately accepted by Lectera in writing, commissions and fees of the Distribution Partner can only be paid into accounts that are in the name of the Distribution Partner or of a business partnership or legal entity that has a contractual relationship with Lectera, or, in case of the payment in crypto coins, only into the eWallets provided by the Distribution Partner. If Lectera incurs banking fees for the payment of the commission in Fiat money which exceed those banking fees charged for domestic transfers, Lectera shall be entitled to pass on these banking fees to the Distribution Partner in accordance with paragraph (6) sentence 1 to the extent that they exceed the regular banking fees.
(5) Lectera may exercise a right of retention within the framework of the statutory provisions. Moreover, Lectera shall be entitled to exercise a right of retention with regard to commission payments, if not all the documents required by law are available prior to the first payment, e.g. the VAT identification number in case of legal entities, if a VAT ID has been requested and granted. If Lectera exercises the right of retention with regard to commission payments, it shall be deemed agreed that the Distribution Partner does not have any claim to interest for the period during which the commission payments are retained.

(6) Lectera may offset claims it has against the Distribution Partner fully or partially against the Distribution Partner’s claims to commission. The Distribution Partner may offset counter-claims, if these counter-claims are undisputed or have been finally established.

(7) Claims of the Distribution Partner under the distribution partner agreements cannot be assigned or pledged. Encumbering the agreement with third-party rights is not allowed.

(8) The Distribution Partner will review the provided invoices without undue delay and notify Lectera immediately of any potential objections. All claims to commission can be inferred from the respectively applicable remuneration schedule, which the Distribution Partner can retrieve in his Back Office, and which can respectively be viewed in the Back Office. Lectera must be notified of any incorrect commissions, bonuses or other payments in writing within 60 days as of the incorrect payment. After this period, the commissions, bonuses and other payments shall be considered approved.

(9) The remuneration will be paid weekly at the express request of the Distribution Partner in accordance with Lectera’s payment modalities and payment methods.

**Section 15 Blocking of the Distribution Partner**

(1) If the Distribution Partner fails to provide all the necessary evidence within 14 days after registering and acknowledging the requirements for the payment of commissions, Lectera may temporarily block the Distribution Partner until he provides the statutorily required documents. The aforementioned provision applies accordingly in case of the unsuccessful expiry of the deadline within the scope of Sec. 14 (2) or in case of a violation of the provisions set forth in Sec. 14 (3) until the required actions have been performed and in the event that the Distribution Partner fails to pay the fees or royalties owed by them. The period of time during which the Distribution Partner is blocked does not give them the right to an extraordinary termination nor does it lead to a refund of payments already made for services or goods or to a claim for damages, unless the Distribution Partner is not responsible for their being blocked.

(2) Claims to commission that are not able to be paid for the above mentioned reasons will be booked as provisions in the Lectera system and expire no later than at the end of the statutory limitation periods.

(3) Every time Lectera issues a warning, Lectera shall be entitled to compensation for the costs incurred through such warning.
(4) Notwithstanding the reasons for blocking mentioned in paragraph (1), Lectera reserves the right to block a Distribution Partner for good cause. Lectera reserves, in particular, the right to block the Distribution Partner's account without notice, if the Distribution Partner violates the obligations set forth in Section 7-9 and Section 10 or other applicable law, or if another good cause is present. If there is no reason justifying a termination without notice and if Lectera sends a warning pursuant to Sec. 11 (1) to the Distribution Partner, the Distribution Partner will be unblocked, once they have cured the violation of obligation in response to the warning issued by Lectera within the specified deadline.

Section 16 Term and termination of the agreement and consequence of a termination/return policy

(1) The distribution partner agreement is concluded for 12 months. The agreement is renewed automatically by an additional 12 months upon payment of the Service Fee explained in Sec. 6 (2), unless it has been terminated by one of the parties in written form as of the end of the contractual term subject to a notice period of one month. If, despite a corresponding payment request from Lectera, the Distribution Partner does not pay the aforementioned Service Fee within 30 days as of the end of the respective contractual term, the agreement will be terminated automatically. Notwithstanding the above, the Distribution Partner may also terminate their distribution partner agreement during the 12-months contractual term at any time by means of an ordinary termination subject to a notice period of one month as of the end of the month.

(2) Notwithstanding the ground for termination described in (1), Lectera reserves the right to terminate the distribution partner agreement for good cause. A good cause is, in particular, present in case of a violation of one of the obligations set forth in Sec. 7, if the Distribution Partner fails to fulfill their obligation to cure the violation within the scope of Sec. 11 para. (1) in due time or if the same or a similar violation occurs once again at a later point in time after the cure of the initial violation of obligation. In case of a violation of the obligations set forth in Sec. 8, 9 and 10 (3) and (4) and in case of particularly severe violations of Sec. 7, or other applicable contractual law or other statutory provisions, Lectera is entitled to an extraordinary termination without prior warning. A ground for an extraordinary termination is also present if the Distribution Partner does not comply with the requirements of Sec. 14 (2) and (3) and even after being blocked in accordance with Sec. 15 (1) and being granted a final deadline for fulfilling the requirements, lets this deadline pass without success. Furthermore, each party shall have an extraordinary termination right if insolvency proceedings were initiated against the respective other party or if the initiation of insolvency proceedings was refused due to a lack of assets, or if the respective other party is otherwise insolvent or has provided an affidavit claiming insolvency in the context of execution. The extraordinary termination right exists regardless of any further claims.

(3) After the termination of the agreement, domains that include the "Lectera" company name and sign, a business name or work title of Lectera, must no longer be used and must, upon request, be returned to Lectera; Lectera will bear the costs of the transfer of the domain. The above also applies to trademarks, business names or work titles for which Lectera holds an exclusive right of use.
(4) In case of an early termination of an agreement with a minimum term, such as the agreement on the right of use pursuant to Sec. 6 (Service Fee), a claim to the reimbursement of already paid fees/remuneration does not exist, unless the Distribution Partner has terminated the agreement by means of an extraordinary termination for good cause.

(5) After the ordinary termination of their former position, a Distribution Partner may once again register with Lectera via a different sponsor. However, the ordinary termination of the old position of the Distribution Partner and the confirmation of the termination by Lectera must have occurred at least 6 months before the re-registration and the terminating Distribution Partner must not have performed any activities for Lectera in the meantime.

(6) Upon the termination of the agreement, the Distribution Partner will not have any claims to commission, in particular no claims to compensation as a sales agent, since the Distribution Partner is not a sales agent within the scope of the Commercial Code.

(7) If the Distribution Partner claims other services from Lectera that are independent from the distribution partner agreement at the same time, these services shall remain unaffected by the termination of the distribution partner agreement, unless the Distribution Partner has expressly requested their cancellation in their termination of the distribution agreement and such cancellation is admissible. If, after the termination of the distribution partner agreement, the Distribution Partner continues to receive services from Lectera, they will be managed in the system as a regular customer.

(8) Any termination must be made in writing, whereby an ordinary termination may also be declared via email to support@lectera.com.

**Section 17 Exclusion of liability**

(1) With the exception of damages resulting from the injury to life, limb and health, Lectera shall only be liable where the damage is due to intentional or grossly negligent conduct, or due to the culpable violation of a material contractual obligation (e.g. commission payment) on the part of Lectera, its employees or agents. This also applies to damages arising from the violation of obligations during contractual negotiations and from the performance of illegal acts. Any further liability for damages is excluded.

(2) The liability is, with the exception of cases of injury to life, limb and health or intentional or grossly negligent conduct on the part of Lectera, its employees or agents, limited to the damages typically foreseeable at the time of the conclusion of the agreement and, apart from that, to the amount of the average damages typical for this type of contract. This also applies to indirect damage, in particular to the loss of profits.

(3) Lectera is not liable for damages of any kind due to the loss of data on the servers, except in cases of grossly negligent or intentional culpability on the part of Lectera, its employees or agents. Stored content of the Distribution Partners is treated by Lectera as third-party information within the scope of the Telemedia Act.
(4) The provisions of the Product Liability Act shall remain unaffected.

**Section 18 Transfer of the business operations / sponsored structure to third parties / death of the Distribution Partner**

(1) Lectera may transfer its contractual position at any time fully or partially to a successor company, which continues the business operations that are the subject matter of this agreement in the same manner and takes over the existing rights and obligations to their full extent.

(2) Distribution partners of Lectera are not allowed to accept the transfer of or to purchase a distribution structure. If Lectera does not exercise its preemptive right, it may only withhold its consent for good cause. The Distribution Partner is obligated to notify Lectera in writing of the intended transfer of his distribution structure. After the receipt of the written notification, Lectera shall have one month for exercising its preemptive right. If Lectera does not exercise its preemptive right, the transfer shall be admissible, unless there are good causes speaking against it. A sale is only possible if the contractual relationship has not been terminated. In case of a termination without notice or a violation of these General Terms and Conditions for Distribution Partners, the Distribution Partner's right to sell their own distribution organization shall be forfeited; the same applies if the selling Distribution Partner still owes Lectera money.

(3) If the Distribution Partner is registered as a legal entity or business partnership, a transfer of the distribution structure is only possible in compliance with the further requirements of this agreement.

(4) If a legal entity or business partnership newly registered as a Distribution Partner wishes to admit a new partner, this shall be possible, if the previous partner(s) that has/have applied for the distribution partnership remain partners. If a partner of the legal entity or business partnership registered as distribution partner wishes to leave the entity/partnership or to sell their shares to third parties, this shall be admissible subject to a corresponding written request including, if need be, the provision of the corresponding notarial deeds, in accordance with the provisions of this agreement and in compliance with (2) of the General Terms and Conditions for Distribution Partners. Lectera charges a processing fee in the amount of EUR 25.00 for the processing of the aforementioned request. If this requirement is not met, Lectera reserves the right to terminate the agreement of the legal entity or business partnership registered as Distribution Partner.

(5) The distribution partner agreement ends upon the death of the Distribution Partner at the latest. The distribution partner agreement can be inherited subject to the fulfillment of the statutory requirements. A new distribution partner agreement, through which the heir(s) accept(s) the rights and obligations of the deceased must be concluded with the heir(s) within 6 months as of the death of the Distribution Partner. If the heir or one of the heirs is already registered as a natural person as a Lectera distribution partner, the heir must, since natural persons can only be assigned one position in the marketing plan, abandon their previous position in the distribution structure of Lectera or, if the conditions of Sec. 18 (2) are met, transfer one of the two future distribution structures to a third party pursuant to Sec. 18 (2). The death of a Distribution Partner must be proven by means of a death certificate. If there is a will regarding the inheritance of the distribution partner agreement, a notarized copy of the will must be provided. If the six-month period passes without the conclusion of a new distribution partner agreement, all rights and obligations from the
original distribution partner agreement will be transferred to Lectera. In exceptional cases, the six-month period will be extended by a reasonable amount of time, if it is unreasonably short for the heir(s) in the individual case.

Section 19 Split-up/dissolution

If a Distribution Partner registered as a legal entity or business partnership wishes to internally dissolve the company, even after the split-up, dissolution or other termination of the aforementioned company, only one distribution partner position will remain. The members/partners who are splitting up must agree internally which member/partner is to continue the distribution partnership and notify Lectera in writing. In case of an internal dispute regarding the consequences of the separation, split-up, dissolution or other termination for the distribution partnership with Lectera, Lectera reserves the right to an extraordinary termination, if such dispute leads to the neglect of the obligations, to a violation of these General Terms and Conditions for Distribution Partners, to a violation of applicable law or to unreasonable burdening of the down- or upline.

Section 20 Inclusion of the remuneration schedule

(1) The remuneration schedule and the provisions contained therein are expressly part of this distribution partner agreement. The Distribution Partner must comply with these provisions in their respectively applicable version at all times.

(2) By submitting the online application to Lectera, the Distribution Partner assures at the same time that they have read the remuneration schedule and accepts said documents as a part of the agreement.

(3) Lectera may change the remuneration schedule in accordance with Sec. 25 para. (1).

Section 21 Consent to the use of photographic and audiovisual material

The Distribution Partner grants Lectera free of charge the right, to record and/or display photographic and/or audiovisual material with their picture, voice recordings or statements and quotes provided by them in the context of their function as Distribution Partner. By signing the distribution partner agreement and acknowledging these General Terms and Conditions for Distribution Partners, the Distribution Partner gives, in this regard, their express consent to the publication, use, copying and editing of their quotes or recordings. The Distribution Partner has the right to withdraw the aforementioned consent. If the Distribution Partner withdraws their consent, Lectera will cease the aforementioned use within one month.

Section 22 Privacy policy
Lectera collects and uses the data voluntarily provided by you only in accordance with the statutory provisions. Detailed data protection provisions are available in the Lectera Privacy Policy.

**Section 23 Statute of limitations**

The claims arising from this contractual relationship expire 6 months after the point in time at which the respective claim becomes due and the party entitled to the claim learns of the circumstances that give rise to the respective claim and/or at which the lack of knowledge of the party entitled to the claim is due to gross negligence. The statutory provisions that require a mandatory longer limitation period shall remain unaffected.

**Section 24 Applicable law / jurisdiction**

(1) This agreement shall be governed by the laws of the place Lectera's registered office; the applicability of the United Nations Convention on Contracts for the International Sale of Goods shall be excluded. Mandatory provisions of the state in which the Distribution Partner has their primary residence shall remain unaffected.

(2) The place of jurisdiction and place of performance shall be at the place of Lectera's registered office, unless there are opposing mandatory statutory provisions.

**Section 25 Final provisions, right to make changes**

(1) Lectera reserves the right to change these General Terms and Conditions for Distribution Partners or the remuneration schedule at any time without justification. Lectera will notify the Distribution Partner of the changed General Terms and Conditions or the changed remuneration schedule no later than 6 weeks before the changes enter into effect by email or in the Back Office. The Distribution Partner may object to such changes. If the Distribution Partner does not object to the changed General Terms and Conditions or the changed remuneration schedule within six months as of the receipt of the change notification, the Distribution Partner expressly accepts the change. Lectera will inform the Distribution Partner in the notification regarding the change of these General Terms and Conditions for Distribution Partners or the remuneration schedule separately and expressly of their right to object, the consequences of objection and the legal consequences of silence. If the Distribution Partner objects, both parties shall be entitled to terminate the agreement as of the point in time at which the change enters into effect.

(2) Furthermore, changes or amendments to these General Terms and Conditions for Distribution Partners require the written form. This also applies to the cancellation of the written form requirement.

(3) If a clause of these General Terms and Conditions for Distribution Partners is invalid or incomplete, the remainder of the contract shall not be affected. Instead, the invalid clause shall be replaced by a valid clause that comes as close as possible to the economic purpose of the invalid clause. The same applies to the closing of any regulatory gap.
(4) Lectera is committed to the rules of compliance. In order to ensure the observance and enforcement of the rules of compliance, Lectera has established a compliance department. Each and every Distribution Partner, customer and other employee may contact the compliance department at any time in case of problems, suspected irregularities or general questions regarding compliance. The compliance department can be contacted via email at support@lectera.com Upon request, messages to the compliance department will be treated as confidential.