

Affiliate Agreement

Between

Karatbars International GmbH

Vaihinger Straße 149A

D - 70567 Stuttgart

Tel. no.: 0711 – 128 970 00

www.karatbars.com

CEO: Harald Seiz

Headquarters: Stuttgart, entered in the trade register

of the District Court of Stuttgart under HRB 739615

VAT-ID: DE280813147

Authorised recipient: Karatbars International GmbH

- hereinafter referred to as “**Karatbars**” -

and

the Affiliate

together with Karatbars, jointly referred to as “**Contracting parties**” –

the following agreement is made:

§ 1

Subject matter of the agreement, marketing plan

- (1) Karatbars mainly sells precious metals, as well as, merchandise articles worldwide according to the latest [Product Details](#).
(hereinafter briefly referred to as: **Karatbars contract products**).

The qualified Affiliate shall have the right to recommend Karatbars contract products as an independent, free and autonomous recommender for Karatbars in accordance with the Affiliate’s respective national laws and the following provisions.

- (2) This agreement regulates the fundamental cooperation between the contracting parties. Incorporated with this agreement by reference, enclosure, link, back office download, and/or addendum is the current applicable marketing plan of Karatbars, which contains the compensation guidelines for Affiliates. The current marketing plan is linked as [“Marketing plan”](#)
- (3) The Affiliate confirms that it has thoroughly checked, understood and accepted the currently applicable marketing plan. It explicitly declares that it acknowledges and approves this enclosure fully and completely.
- (4) Any deviation, contradictory, or supplementary changes coming from the Affiliate or from third parties shall become a part of the agreement only if and insofar as Karatbars has consented to their validity explicitly and in writing.

§ 2

Contractual prerequisites and relationship of the contracting parties with each other

- (1) The Affiliate declares and assures that it fulfils all legal prerequisites and official conditions in order to commercially recommend precious metal sales in its respective country and to recommend Karatbars contract products.
 - a. Where required by law, the Affiliate must independently register its trade with the competent authorities and institutions – even with its locally competent tax office;
 - b. Upon demand, the Affiliate must immediately furnish proof of all permits to Karatbars and the Affiliate must maintain these documents in a current state.
 - c. The Affiliate shall be responsible for the fulfilment of all legal requirements including but not limited to: trade-law-related, tax-related, labour-law-related, competition-law-related and other legal obligations without any exceptions.
 - d. The Affiliate must properly declare compensation received for referrals to the appropriate tax authorities and pay tax on the same.If the Affiliate has not fulfilled the stated prerequisites, it may not commence its activity.
- (2) The Affiliate shall not have an employment relationship with Karatbars under the labour law. The Affiliate shall particularly determine the place, time, commencement and end as

well as the type of its activity by itself; it shall itself bear the entrepreneurial commission risk and shall also not be entitled to remuneration during holidays or illness.

The Affiliate shall be an independent contractor and must apply the diligence of a prudent businessman in its business. The Affiliate must follow their national laws as well as the applicable European Union Law regarding fair competition, the company's internal statutes and guidelines as well as Karatbars' directives for business transactions. It must always ensure that its behaviour does not violate laws, regulations or official instructions. The Affiliate must follow Karatbars compliance guidelines and instructions for the proper representation of Karatbars contract products and will promote the free-affiliate program and marketing plan.

- (3) The Affiliate declares that it, in addition to the Affiliate activity for Karatbars, it works for third parties to a considerable extent. If the Affiliate is working or would work exclusively or primarily only for Karatbars, it shall be obligated to immediately notify Karatbars and if necessary, make applications for an exemption from the obligation to contribute to social security with the competent institutions. If an exemption is not possible, the Affiliate must immediately notify Karatbars. If it fails to do so, Karatbars shall be authorised to recover any costs or liabilities for social security contributions from the Affiliate to the extent they are payable. This provision shall otherwise survive the termination of this agreement.
- (4) The Affiliate shall not be authorised to represent Karatbars in legal or contractual transactions, particularly to make any declarations for Karatbars. Such declarations shall not bind Karatbars, but the Affiliate itself that shall be solely responsible for any claims against Karatbars. The Affiliate shall not have the power to represent Karatbars. It itself shall be liable for its declarations and must, if necessary, indemnify Karatbars from all consequences of unauthorised declarations. Other entitlements and rights of Karatbars shall remain unaffected.
- (5) Specifically, the Affiliate shall not be authorised to accept payments on behalf of Karatbars. Customers cannot pay the Affiliate for products and services of Karatbars. The Affiliate shall not have collection authority for Karatbars.

§ 3

Tasks and duties of the Affiliate

- (1) The Affiliate has a duty to protect Karatbars' interests in all manners and to undertake that Karatbars' reputation is not damaged by its actions.
- (2) The Affiliate shall have the task of recommending the Karatbars contract products released by Karatbars to customers. While doing so, it must inform the customers about the Karatbars products truthfully and professionally. Upon the successful conclusion of a purchase contract personally recommended by the Affiliate, it shall be entitled to compensation in accordance with this Affiliate Agreement and the current marketing plan.
- (3) The Affiliate shall further be obligated to recommend other customers and Affiliates (down-line-affiliates). If these down-line-affiliates successfully recommend Karatbars contract products resulting in the sale of Karatbars contract products by Karatbars, the Affiliate and the down-line-affiliate shall both receive compensation in accordance with this Affiliate Agreement and the current marketing plan.
- (4) The Affiliate may only recommend the sale of Karatbars contract products which are released for sale in writing by Karatbars and available in accordance with the laws and other legal provisions of the Affiliates' respective country.
- (5) The Affiliate shall not have territorial protection. The Affiliate shall however be prohibited to headhunt customers or affiliates of Karatbars for third parties, particularly for other affiliate marketing systems, or to induce directly, or indirectly, other affiliates to abandon, neglect, sell, or trade their existing account.

The Affiliate shall further be prohibited from headhunting customers, affiliates, or down-line-affiliates of other affiliates of Karatbars, which have an active account with Karatbars, for itself or for third parties (so-called cross-recruiting). "Active account" within this meaning refers to an account, for which KYC documents have already been uploaded and/or through which at least one purchase of Karatbars contract products has taken place.

- (6) The Affiliate shall be authorised to take advertising measures in the fair promotion of Karatbars and Karatbars contract products; the Affiliate must have prior approval by

Karatbars of any external presentation or promotion which concerns Karatbars or uses any copyright or trademarks.

- (7) The Affiliate must regularly participate in web seminars of Karatbars and forward the knowledge obtained there to its down-line-affiliates.
- (8) The Affiliate must constantly keep itself and the downstream recommendation partners supervised by it (down-line-affiliates) informed about the current Karatbars contract products in the log-in of the Karatbars website, the recommendation system and all the data and facts that are important for customers.
- (9) The Affiliate shall not be authorised to assign its claims against Karatbars to third parties.

Set-off with counterclaims of the Affiliate, or retention of payments due to such claims, shall be permissible only if and as far as the counterclaims are undisputed, legally determined valid, or recognised by the company.
- (10) The Affiliate is entitled, and obliged, to have one Affiliate account during the agreement period. If the Affiliate operates more than one Affiliate account, then Karatbars is entitled to terminate those accounts. Any other rights of Karatbars remain unaffected.
- (11) The Affiliate guarantees that its advertising spaces do not violate laws, regulations, statutes or other legal or contractual provisions and do not infringe rights of third parties. It further guarantees that it shall not use any illegal marketing strategies or marketing strategies that violate this agreement.
- (12) The Affiliate shall indemnify Karatbars from all claims of third parties, which are based on illegal behaviour, on behaviour that violates this agreement, or on behaviour that otherwise infringes on the rights of third parties. This shall also refer to the costs of appropriate prosecution and legal defence.
- (13) The Affiliate shall be authorised to deploy its own employees, sub-agents and other auxiliary persons for its activity. The Affiliate must ensure that these persons also adhere to the duties of this Affiliate Agreement.

§ 4

Advertising guidelines

- (1) As advertising materials, the Affiliate may exclusively use the original advertising materials provided to it by Karatbars. The use of altered and modified advertising materials shall not be permitted.
- (2) The Affiliate shall be responsible for the placement of the advertising materials. It shall also bear the costs associated with the implementation or placement and delivery of the advertising materials.
- (3) Advertisement on websites, which could damage Karatbars' reputation, shall be prohibited. This includes, particularly but not exclusively, websites with illegal content, websites with pornographic or violence-glorifying content, websites discriminating against race, gender, religion, nationality, disability, sexual orientation or age, as well as websites promoting illegal acts or websites violating intellectual property.
- (4) The Affiliate must adhere to the terms of use of the websites, which it selects as advertising spaces.
- (5) The Affiliate must design on its own advertising spaces in accordance with the provisions of the Telemedia Act, consumer protection and data protection, particularly provide proper contact information. It must immediately remove illegal contents or contents violating rights of third parties and take suitable measures in order to not repeat such violations.
- (6) The Affiliate must ensure that the advertising materials are flawlessly integrated and delivered.
- (7) Karatbars shall any time be authorised to re-design the advertising materials or replace them with new advertising materials. The Affiliate must ensure that it always uses the latest advertising materials.
- (8) The Affiliate must refrain from impermissible forms of Internet marketing, particularly (but not exclusively):
 - a. improper use of cookies, especially cookie-dropping;
 - b. sending advertising e-mails to recipients, who have not explicitly consented to the receipt of such e-mails including the advertisement contained therein;
 - c. violation of terms of use and applicable guidelines of search engines;

- d. maintaining websites, which can result in a risk of confusion with the web presence of Karatbars.
- (9) The Affiliate shall be prohibited from executing the following advertising measures without explicit prior written consent and approval of Karatbars:
- a. promising or distributing rewards to users for the interaction with the advertising materials (“incentivised traffic”);
 - b. any form of Search Engine Marketing;
 - c. use, registration or purchase of domains, which are similar to the name of Karatbars, i.e. typo-squatting (use of so-called typing mistake domains).

§ 5

Confidentiality

- (1) The Affiliate shall be obligated for confidentiality regarding all the internal knowledge about the business model, corporate policy and operating procedures of Karatbars as well as for extensive customer and resource protection. Violation of its confidentiality obligation shall not only make the Affiliate liable for compensation, but possibly also liable to prosecution.
- (2) All the stated contents, mainly advertising materials, work documents such as pre-printed forms, brochures, training and business documents, contracts – even this agreement – shall be subject to copyright protection. The Affiliate may neither use these contents outside the business relationship nor forward these – even partly – to third parties, have these forwarded or duplicate these, except for third parties that are legally obligated for confidentiality.
- (3) The duties of the Affiliate described in § 5.1 shall remain applicable without any restrictions even after the end of this agreement, unless there is a separate written agreement supplemental to this agreement. If this agreement ends or if the Affiliate no longer requires documents of any type from this business relationship, it may not use these materials further. This shall mainly be applicable for brochures, pre-printed forms and training documents. A right of retention of the Affiliate – for any reason whatsoever – is ruled out.

§ 6

Remuneration

- (1) Development and amount of a remuneration claims of the Affiliate are regulated in the [Marketing plan](#) within the remuneration guidelines.

The Affiliate shall not have any payment claims against the customer and may not demand any remuneration from the customer.

- (2) The Affiliate shall be entitled to remuneration only after the receipt of the customer's payment by Karatbars and according to the amount actually received by Karatbars. Every remuneration payment to the Affiliate shall be subject to the condition that the customer makes an unconditional payment to Karatbars for the respective products ordered by it and the Affiliate has not violated any regulation of this agreement.

Remuneration claims of the Affiliate against Karatbars shall be subject to a prohibition of assignment.

- (3) In case of a so-called charge-back or a comparable return debit (e.g. in case of credit card payments) of payments already made to Karatbars, Karatbars shall be authorised to offset the commissions already paid to the Affiliate for such cases with future commission payments or distributions. The same shall be applicable in case of criminally relevant acts by the Affiliate or by the customer (for instance but not exclusively: in case of submission of forged documents, in case of use of stolen or otherwise abstracted credit cards). Further claims of Karatbars shall remain unaffected by this.

§ 7

Statements

- (1) The Affiliate can check the statements online using its personal account login. Objections to a statement must be raised within 10 business days. After this, the statement shall be deemed acknowledged. If the Affiliate is hindered from raising objections by force majeure, the term shall be extended by 10 more business days from the elimination of the hindering reason.

- (2) Remuneration payments to the Affiliate shall take place exclusively through a debit card issued by Karatbars to the Affiliate. As soon as the Affiliate has acquired a commission entitlement of at least €20.00, Karatbars shall provide it with a reloadable debit card. The costs for the issue of the debit card in the amount of €20.00 shall be borne by the Affiliate or shall be deducted from the remuneration payment.

§ 8

Turnover tax / Value added tax

For remunerations pursuant to § 6 of the Affiliate Agreement, the following shall be applicable with regard to turnover tax / value added tax (VAT):

- (1) Remunerations for gold referrals and so-called packages:

Remunerations for pure gold referrals are turnover-tax-exempt in Germany and are basically paid net, i.e. without showing VAT. If the Affiliate is liable for payment of value added tax in its country, this must be paid by the Affiliate from the received amount. If the Affiliate wants the payment of the value added tax, it must fulfil the required legal prerequisites of the respective country and furnish proofs for the same to Karatbars. In this case, the Affiliate shall be obligated to prepare a legally compliant invoice for Karatbars, which shows the VAT. All conditions and specifications of the competent tax authority in the respective country must be clarified by the Affiliate and provided to Karatbars along with Karatbars' possible obligations to cooperate. If the Affiliate fails to notify Karatbars accordingly, it shall solely be liable for the resulting damage and must exempt Karatbars from all claims.

- (2) Remunerations for (other precious metals and merchandise articles):

- a. Federal Republic of Germany

Remunerations for the referral of Karatbars' products that are subject to turnover tax in Federal Republic of Germany shall be paid gross and shall include the statutory value added tax. This must basically be paid by the Affiliate to its competent German tax office.

- b. Other countries

Remunerations for the referral of Karatbars' products in the rest of the EU as well as in non-European countries shall be paid net (without turnover tax / value added tax),

§ 9

Duties of Karatbars

- (1) Karatbars maintains a website that serves for general information and is continuously updated. The Affiliate can get all the required information and forms through the links provided there.
- (2) Karatbars shall provide the Affiliate with sales and training documents, as well as all printable contracts online in a download section, from where the Affiliate can download the required documents.
- (3) If the Affiliate wants supporting material as hard copies, it can purchase this according to the price list on the website.
- (4) For queries, Karatbars has a Support Centre, which supports the Affiliate in various world languages in case of ambiguities.
- (5) Karatbars offers regular training opportunities on the Internet (webinars) so that the Affiliate can always have up-to-date information about all areas regarding its activities.
- (6) Karatbars informs the Affiliate immediately about product changes, about changes in the sales or accounting system as well as news which could be interesting for the Affiliate.
- (7) Karatbars has the remuneration claims of the Affiliate accounted for on a daily basis through an accredited, professional international contractual partner. Karatbars must pay due remunerations once a month / week to the Affiliate according to the respectively applicable remuneration guidelines in the latest marketing plan.
- (8) While doing so, Karatbars must consider the structures of down-line-affiliates built up by the Affiliate and pay attention to the hierarchies established.
- (9) Karatbars periodically offers incentive programs under separate terms which are published prior to the incentive and are available during the incentive period as part of the incentive report found in the Affiliate back office.

§ 10

Karatbars' authorities

- (1) The Affiliate shall allow Karatbars to contact it any time necessary for the execution of this Affiliate Agreement.
- (2) Karatbars shall be authorized to give instructions to the Affiliate, if this is necessary for successful business. In all other cases, the Affiliate shall not be bound by instructions.
- (3) Karatbars shall be authorised to modify this agreement and the enclosed remuneration guidelines including the marketing plan any time at a month end with a notice period of three (3) months. The Affiliate shall be authorised to object to a change of the agreement or of its enclosures within two weeks of the announcement and to terminate the agreement extraordinarily. Other reasons for termination shall remain unaffected by this. If the Affiliate does not raise objection within the objection period, the change shall be deemed accepted and shall become part of the agreement. The new regulation shall then replace the old regulation.
- (4) Karatbars shall any time be authorised to change the user name(s) used by the Affiliate, particularly if a user name violates laws, morality, trademarks, or is not in the best interest of Karatbars. Karatbars shall immediately notify the Affiliate. Other claims and rights of Karatbars shall remain unaffected.
- (5) Karatbars shall be authorised to have the account blocked if, and as long as necessary, should the legal successor of the Affiliate does not prove its legal succession to Karatbars with the help of written documents.
- (6) Karatbars shall be authorised to assign its rights and duties from this agreement to a third party (legal successor). It must inform Affiliate immediately. In this case, the Affiliate shall be authorised to terminate the agreement extraordinarily within a period of two weeks.

§ 11

Karatbars' liability

- (1) Karatbars shall not be liable for the uninterrupted and error-free accessibility and functioning of the Karatbars website.
- (2) Karatbars shall be liable for compensation according to statutory regulations. If it is at fault, Karatbars shall however be liable in the case of ordinary negligence only for:
 - a. damage from injury to life, body or health;
 - b. damage from the violation of an essential contractual obligation (essential contractual obligations are those, whose fulfilment facilitates proper execution of the agreement and which the customer may regularly trust); in this case, Karatbars' liability shall however be limited to the compensation of foreseeable, typically occurring damage.
- (3) The aforementioned liability limitations shall be applicable to the same extent in favour of bodies, legal representatives, employees and vicarious agents of Karatbars.
- (4) The aforementioned liability limitations shall however not be applicable if Karatbars has maliciously concealed a defect or has taken a procurement risk or a guarantee for the condition of the product. Claims pursuant to the Product Liability Act or other mandatory legal prerequisites for liability shall remain unaffected.

§ 12

Term of the agreement / Termination

- (1) The agreement is made for an indefinite term.
- (2) The agreement may be terminated by each contracting party at the end of a quarter with an advance notice of 6 weeks.
- (3) Furthermore, it may be terminated in writing at any time by each of the contracting parties for a compelling reason according to the respective legal regulations of the country.

Karatbars shall, for instance (but not exclusively), be authorised for extraordinary termination for a compelling reason if:

- the Affiliate proves to be unreliable, mainly if a claim is made on Karatbars due to culpable behaviour of the Affiliate or if a notice is given to Karatbars due to a culpable violation by the Affiliate;
 - the Affiliate has culpably committed serious agreement infringements, which could affect the reputation or rights of Karatbars, of another partner or of a customer. This shall particularly (but not exclusively) include violations of confidentiality and data protection obligations and the prohibition of collecting monies due Karatbars, or the prohibition to headhunt external customers or employees;
 - the Affiliate provides false data to Karatbars;
 - the Affiliate provides false data to customers;
 - the Affiliate renders itself liable to prosecution;
 - the Affiliate continues to violate the agreement in spite of a warning from Karatbars; or but not limited to,
 - the activity of the Affiliate and/or of Karatbars is restricted or excluded in the field of activity of the Affiliate and/or in a country/state, where the Affiliate operates; particularly if a country/state restricts or prohibits the import and/or export of precious metals (e.g. of gold).
- (4) In the event of a termination, the Affiliate must immediately and completely remove and delete all links, banners, and other Karatbars advertising materials installed by it. There shall be no right of retention in this regard.
- (5) After the announcement of a termination as well as for a compelling reason (for instance but not exclusively in the cases stated in § 6.3), Karatbars shall any time be authorised to change the Affiliate's account into the so-called Investigate Status and/or to revoke this status.

In the Investigate Status, the Affiliate cannot modify the profile data in the account, and commissions are no longer distributed to it from this account; the Affiliate can however continue to log in, acquire and register customers as well as generate commissions. Possible remuneration claims of the Affiliate shall remain unaffected by this. After reversal of the Investigate Status, due remuneration claims of the Affiliate shall be paid with the next payment cycle according to the marketing plan.

§ 13

Data protection

- (1) The Affiliate must use the data of any type and all forms, accumulated within the scope of this Agreement exclusively for contractual purposes. It must adhere to all data protection regulations in their respectively valid version, particularly the regulations of the Federal Data Protection Act (BDSG) and the Telemedia Act (TMG). If the Affiliate employs staff or uses third parties, it must obligate these also for the adherence to the data protection regulations.
- (2) Karatbars shall essentially save personal data only as far as this is necessary for the service provision or for the execution of the agreement. It may therefore be necessary to forward personal data of the Affiliate to companies, which are used for the service provision or for the agreement processing. These can, for instance, be transport companies or other service providers. There shall be no further forwarding unless there is a legal or judicial obligation for this. Karatbars' employees are obligated for confidentially in writing.
- (3) The Affiliate shall issue its consent to credit assessment or age verification in order to facilitate the services or payment methods of Karatbars.
- (4) After the termination of the agreement, the data of the Affiliate shall be deleted. Data, except for which there are legal retention obligations, shall first be blocked and shall be deleted after the expiry of the retention periods, or the latest after six (6) months.
- (5) The Affiliate shall any time receive free information about its saved data without giving reasons. It may any time have its collected data blocked or corrected. Also, it may any time revoke the issued consent for the data collection and use without giving reasons under the address specified in the imprint on Karatbars' website.

§ 14

Contractual language

The contractual language shall be German. This English version is provided for convenience and informational purposes only. In case of correspondence in other languages, the Affiliate

must have it translated into German at its own costs, risk and responsibility. Translations errors shall be borne by the Affiliate.

§ 15

Applicable law / Legal domicile / Written form requirement

- (1) This Agreement shall be exclusively subject to the laws and jurisdiction of Federal Republic of Germany, and not subject to the United Nations Convention on Contracts for the International Sale of Goods (CISG).
- (2) For all disputes arising from and in connection with this Agreement, the contracting parties agree upon the exclusive competence of the district court at the headquarters of Karatbars as far as this is legally permissible. Karatbars shall however also be authorised (but not obligated) to address all claims to the competent court in the jurisdiction for the headquarters of the Affiliate.
- (3) Changes or additions to this Agreement must be in written form in order for them to be effective; e-mail or fax shall be sufficient for observing the written form requirement within the scope of this Agreement. This shall also be applicable for modifying this written form provision.
- (4) The German language version of this Agreement is the only binding version of the affiliate Agreement; the English version is provided for convenience and informational purposes only.

§ 16

Severability clause

- (1) If one or multiple regulations of this agreement become ineffective, the parties shall agree upon a substitute regulation that comes closest to the ineffective regulation.
- (2) The ineffectiveness of one or multiple regulations of this agreement shall not affect the validity of the rest of the regulations.
- (3) An ineffective regulation shall automatically be replaced by an effective regulation, which comes closest to the economic purpose of this agreement.