

Terms of Service

Agreement Between Venue and Merchnest™, (Knight Global Merchandising)

By signing up for a subscription with Merchnest, the venue (“Subscriber”) agrees to the following Terms of Service, which outline the obligations and expectations of both the Subscriber and Merchnest. This agreement is binding for the duration of the subscription term.

1. Display of MerchStore QR Codes

The venue agrees to make all reasonable efforts to display the MerchStore QR codes prominently within their premises for the duration of the subscription. The QR codes are essential for enabling customer access to the merchandise platform.

2. Sample Stock for Apparel

To facilitate customer engagement, venues are required to maintain a small sample stock of hoodies and T-shirts in various sizes.

- The venue must purchase the full size range of these products at full price within the first three months of the subscription.
 - After deducting VAT, duties, and shipping, Merchnest will reimburse the venue for any remaining margin, ensuring that these items are ultimately provided at cost price.
-

3. Staff Uniforms

Venue staff may opt to wear branded T-shirts during their work. These items will also be purchased at full price, with reimbursement for any remaining margin, as outlined above.

4. Merchnest’s Responsibilities

Merchnest will handle the following to ensure smooth operations:

- Shipping and fulfillment of customer orders.
- Management of product returns and storage.
- Issues arising surrounding VAT/duties.
- Production of merchandise.

- Addressing customer queries and complaints related to the platform.
-

5. Venue's Responsibilities in Customer Queries

If a customer raises a query or complaint regarding the MerchStore, the venue agrees to promptly notify and refer the issue to Merchnest for resolution.

6. Submission of Branded Material

The venue is required to send branded designs or materials to Merchnest within seven (7) days of signing up for a subscription. Delays may result in the postponement of store activation.

7. Product Offerings

Each subscription tier includes a specific number of branded products:

- **Free Subscription:** Up to 7 branded products.
- **Basic Subscription:** Up to 10 branded products, including 2 customizable products.*
- **Standard Subscription:** Up to 15 branded products, including 5 customizable products.*
- **Premium Subscription:** Up to 20 branded products, with full customization where possible.*

*Customizable products are currently in beta testing. While Merchnest will make all reasonable efforts to provide this feature, venues understand that functionality may occasionally be limited.

Minimum Requirements: Each MerchStore must include hoodies, T-shirts, and caps/hats as a baseline offering.

8. Subscription Term and Upgrades

All subscriptions are subject to a minimum term of one (1) year.

- Upgrading to a higher subscription tier is possible at any time, subject to availability.

- Downgrading or cancellation is not permitted within the first year of the subscription. After the one-year term, downgrades and cancellations may be requested without penalty.
 - Cancellation does not automatically mean that the goods created in conjunction with MerCHNesT will be removed from the store, although in most case, this will ultimately be the case.
-

9. Revenue Sharing and Schedule

Revenue sharing applies to the net profit margin after deducting production, shipping, taxes, and duties. Revenue shares adjust based on a sliding scale of products sold per month over a rolling three-month period:

- **0–250 Products Sold:**
 - Free: 40%, Basic: 60%, Standard: 85%, Premium: 98%.
- **251–500 Products Sold:**
 - Free: 30%, Basic: 53%, Standard: 75%, Premium: 88%.
- **501–750 Products Sold:**
 - Free: 20%, Basic: 45%, Standard: 70%, Premium: 83%.
- **751–1000 Products Sold:**
 - Free: 20%, Basic: 40%, Standard: 55%, Premium: 70%.
- **1000+ Products Sold:**
 - Free: 20%, Basic: 35%, Standard: 45%, Premium: 60%.

Merchnest will provide a breakdown of sales upon request. Reports are currently generated manually, so venues are advised to allow time for processing. An online portal for real-time sales tracking is under development and will be rolled out soon.

Changes to these shares can be made by MerchNest, at any time, continuation of use of the platform is considered acceptance of the terms.

10. Revenue Sharing and Payments

- Revenue shares are based on the final profit margins per month and vary by subscription plan, as outlined above.

- Payments to Subscribers are made on a quarterly or yearly basis, subject to a minimum payout threshold of **CHF 4'000**, following the deduction of applicable fees.
 - Subscribers are responsible for declaring and paying taxes on their earnings in accordance with their local tax regulations.
 - Any revenue-related disputes must be reported within 30 days of payment.
-

11. Venue's Commitment to Branding

The venue agrees to actively promote the MerchStore, on their own social media, but particularly ensuring QR codes are visible and engaging with customers to encourage sales.

Any issues with the QR code must be immediately brought to the attention of Merchnest.

12. Intellectual Property

The venue retains ownership of its branded designs but grants Merchnest a non-exclusive, royalty-free license to use the designs for production, marketing, and sales purposes during the subscription term.

13. Indemnity

The venue agrees to indemnify Merchnest against claims arising from the improper use of branding or designs provided by the venue.

14. Termination

In cases of breach of these terms, or the terms and conditions, Merchnest reserves the right to terminate the subscription. Any fees paid will not be refunded if the termination is due to the venue's failure to comply with these terms.

15. Governing Law

These terms are governed by the laws of the jurisdiction in which Merchnest operates, Switzerland.

Acceptance

By signing up for a subscription, the venue acknowledges and agrees to these Terms of Service and the full Terms and Conditions available at www.merchnest.io.