

FORMULA AUTHORISED RESELLER POLICY

VERSION 1

EFFECTIVE DATE: July 1st, 2021

1. INTRODUCTION

A person ("**Authorised Reseller**") may sell, distribute, advertise, market or promote Formula branded products ("**Formula Products**") in Australia only to the extent and in the manner in which they are authorised to do so by ZEDER Corporation Pty Ltd ABN 22 637 292 507 13 ("**ZEDER**").

This Policy is used by ZEDER in its selection and retention of Authorised Resellers. ZEDER may limit the Formula Products that an Authorised Reseller is authorised to sell, distribute, advertise, market or promote and may specify the mode of sale (e.g., through a bricks-and-mortar location or over the Internet, either through the Authorised Reseller's own website or through an approved third-party web portal ("**Third-Party Marketplace**")), through which the Authorised Reseller may sell such Formula Products. ZEDER may conduct audits and unannounced, anonymous surveys and/or spot checks to assess an Authorised Reseller's compliance with this Policy.

By purchasing Formula Products, each Authorised Reseller agrees to the terms of this Policy. ZEDER may amend or supplement this Policy at any time. Interpretation of this Policy is at ZEDER's sole discretion.

Selection and retention as an Authorised Reseller of one or more Formula Products or any of the ZEDER Product categories are at ZEDER's sole discretion. Non-compliance with this Policy may result, at ZEDER's sole discretion, in the suspension (for a period of time determined by ZEDER) or termination of a reseller's authorisation to sell one or more Formula Products and/or any of the ZEDER Product categories.

The information contained in this Policy is considered confidential and proprietary to ZEDER. It is disclosed to the Authorised Reseller on the basis that the Authorised Reseller agrees to hold the information in confidence and not disclose it to any third-party and only to those within the Authorised Reseller's organization on a need to know basis.

2. GENERAL REQUIREMENTS

ZEDER brands are symbols of quality. ZEDER's continual quality assurance efforts require that Authorised Resellers maintain consistent quality standards in the marketing, sale and servicing of Formula Products. ZEDER holds its Authorised Resellers to a standard of excellence, which requires that they consistently meet or exceed the expectations of all end-users of Formula Products, whether they are consumers or professional customers. ZEDER's selective distribution strategy helps to ensure that the end-user is satisfied with the entire purchase experience. Authorised Resellers must be dedicated to consistently providing the end-user with impeccable service and a high degree of ZEDER Product availability. Repeated out-of-stock occurrences are not acceptable.

2.1. **Authorised Reseller Application**: In order to become an Authorised Reseller, a person must complete and submit an application identifying one of the following reseller categories:

- Brick & Mortar Retailer;
- Brick & Click Retailer;
- Click-Only Retailer;
- E-Commerce Retailer; and/or
- Distributor.

that the person seeks to serve for Formula Products. By identifying a specific reseller category, the person verifies its good faith belief that it can meet the applicable criteria as set forth in this Policy. Upon receipt of the application, ZEDER will review for authorisation. The decision as to whether to award authorisation rests within ZEDER's sole discretion.

- 2.2. **Annual Compliance Review:** Compliance with this Policy is continuously monitored by ZEDER. In addition to routine compliance evaluation, Authorised Resellers will be subject to an annual compliance review conducted by ZEDER.
- 2.3. **Non-compliance:** Non-compliance with this Policy may result in suspension (for a period of time determined by ZEDER) or termination of the Authorised Reseller's authorisation to sell one or more Formula Products. ZEDER will provide an Authorised Reseller with notice specifying the breach and a time within which to rectify the breach, failing which ZEDER may suspend (for a period of time determined by ZEDER) or terminate the Authorised Reseller's authorisation. The Authorised Reseller must provide to ZEDER written verification of the corrective measures taken to cure the breach within the time prescribed by the written notice. Notwithstanding any such verification, two or more breaches of this Policy within a twelve (12) month period will be deemed a failure to cure and may result in immediate suspension (for a period of time determined by ZEDER) or termination with no further notice or opportunity to cure.
- 2.4. **Reinstatement:** Any request or application for reinstatement of authorisation to sell Formula Products will not be considered within the same quarter in which the suspension or termination occurred. ZEDER is under no obligation to consider any request for reinstatement of authorisation to sell Formula Products. If considered at all, ZEDER will consider a request for reinstatement no sooner than the end of the quarter following the quarter in which the suspension or termination occurred.

3. **ZEDER IP LICENCE**

- 3.1. **ZEDER IP:** All ZEDER trademarks, trade names, brand names, depictions, colours, graphics, logos, packaging, catalogues, product descriptions, product numbers or other written materials whether or not registered or otherwise protected ("**ZEDER IP**") associated with the Formula Products remain ZEDER's sole and exclusive property and nothing arising out of the relationship between ZEDER and any Authorised Reseller conveys to the Authorised Reseller any ownership rights in the ZEDER IP.
- 3.2. **Licence:** ZEDER grants to each Authorised Reseller a limited, non-exclusive, non-transferable, non-sublicensable license to use the ZEDER IP in accordance with this Policy only in relation to the Formula Products that the Authorised Reseller is authorised to sell.
- 3.3. **Use of ZEDER IP:** Authorised Resellers may use the ZEDER IP only in the advertising, promotion and sale of authentic Formula Products in compliance with the terms of this Policy. The ZEDER IP must be used exactly in the form provided and in conformity with any ZEDER usage policies or guidelines, including, but not limited to shape, colour match and imprint quality. Any proposed deviation must be approved in writing by ZEDER prior to use. ZEDER will own any rights arising from an Authorised Reseller's use of graphics, text, format and other information provided by ZEDER. Prior to any use of the ZEDER IP on goods or services, the Authorised Reseller must submit samples for ZEDER's approval. No Authorised Reseller may use ZEDER Product depictions, graphics or logos relating to the Formula Products that have not been provided by ZEDER in connection with the advertising, promotion or sale of any Formula Products without submitting samples to ZEDER for prior review and written approval of each such use.

Except as set forth in a separate written license agreement, no person, including an Authorised Reseller, may use the ZEDER IP in or as part of any (i) domain name or URL on the Internet, (ii) trademark or service mark, or (iii) company or trade name.

4. **PURCHASE AND RESALE PROHIBITIONS**

- 4.1. **Selective Distribution – Authorisation Required:** ZEDER employs selective distribution in order to ensure that the expectations of end-users of Formula Products are consistently met or exceeded. In order to maintain this optimal customer experience, and to assure the integrity of products sold under ZEDER's brands, ZEDER prohibits both the sale and purchase of Formula Products to and from unauthorised resellers. Authorisation to sell Formula Products is essential to ZEDER's ability to protect against the distribution, sale and marketing of counterfeit or "knock-offs" of Formula Products in the marketplace.

- 4.2. **Resale Prohibitions:** In order to assure that Formula Products are not sold through distribution channels that ZEDER has not approved, Authorised Resellers are not permitted to sell Formula Products to any reseller that is not an Authorised Reseller, or otherwise assist in or facilitate sales of Formula Products by a reseller that is not an Authorised Reseller, without ZEDER's prior written consent. By restricting the sale of Formula Products by Authorised Resellers to other Authorised Resellers, ZEDER is best able to assure the authenticity of the Formula Products distributed in the marketplace and manage the consumer's purchase experience. Pursuant to Section 6 below, Authorised Resellers who sell online are provided online badges to post on their websites that identify them as Authorised Resellers of the Formula Products. Before selling any ZEDER Product to a person that is not an end-user, the Authorised Reseller should check that person's website for the requisite badge. If unsure whether a potential purchaser is authorised to sell the Formula Products, the Authorised Reseller should contact ZEDER to obtain assurance that the prospective purchaser is an Authorised Reseller. In addition, without ZEDER's prior written consent, an Authorised Reseller may not conduct the business of selling Formula Products under any name that has not been approved by ZEDER.
- 4.3. **Purchase Prohibitions:** Authorised Resellers may only purchase Formula Products from ZEDER or another Authorised Reseller/ Distributor.
- 4.4. **Retailer Sales to End-Users Limited to Australia:** The Formula Products are designed, manufactured and packaged to country-specific requirements. The sale of Formula Products into geographic areas in which the Formula Products were not intended to be sold, therefore, is prohibited. Formula Products intended for resale in Australia may not be suitable for use outside of Australia, may not comply with laws in effect outside of Australia. Additionally, end-users located outside of Australia may not have access to ZEDER Product service, replacement parts and safety and recall notices relating to Formula Products that are intended for sale in Australia. Except as authorised in writing by ZEDER, Authorised Resellers may only sell Formula Products to end-users and other Authorised Resellers that are located in Australia.
- 4.5. **Original Packaging and ZEDER Product Configurations Requirement:** Except as expressly authorised in writing by ZEDER, Formula Products must be sold by the Authorised Reseller in the same configuration and packaging as they were purchased from ZEDER. If the product number is used to describe the ZEDER Product, it must be the product number designated by ZEDER.
- 4.6. **Other Restrictions on the Sale of Certain Formula Products:** ZEDER expressly reserves the right to determine which of the Formula Products to offer for sale to each of its Authorised Resellers and may designate certain Formula Products for distribution and sale to select customers, channels or retail platforms. Within the exercise of its sole discretion, for example, ZEDER may designate certain Formula Products for sale only to certain Authorised Resellers or may prohibit Authorised Resellers from reselling designated Formula Products on certain online platforms (e.g. Third-Party Marketplaces).

5. BRICK-AND-MORTAR ("B&M") RETAILERS

Authorised Resellers selling from bricks-and-mortar retail stores ("**B&M Retailers**") must comply with the requirements set out below:

- B&M Retailer must operate at least one physical, bricks-and-mortar retail store with a street address in Australia.
- B&M Retailer must carry and display in each of its retail stores the designated minimum number of ZEDER Product SKUs.
- B&M Retailer must maintain a knowledgeable sales staff and customer service support.
- B&M Retailer must provide to ZEDER and update the physical addresses of each of its retail stores, with telephone number, fax number, website and/or e-mail address as this information changes.

6. ONLINE RETAILERS

- 6.1. **Online Retailers:** Authorised Resellers may be additionally approved to serve as Online Retailers.

6.2. **Categories of Online Retailers:** Online Retailers fall into one of the following three (3) categories:

- **Brick & Click Retailers:** B&M Retailers which meet the additional online requirements set out in this Section 6, and are specifically approved by ZEDER (in the exercise of its sole discretion) to resell Formula Products on their own websites;

- **Click-Only Retailers:** Authorised Resellers who have little or no brick-and-mortar retail operations which meet the additional online requirements set out in this Section 6, and are specifically approved by ZEDER (in the exercise of its sole discretion) to resell Formula Products on their own websites; or

- **E-Commerce Retailers:** Authorised Resellers who have little or no brick-and-mortar retail operations which meet the additional online requirements set out in this Section 6 and are specifically approved by ZEDER (in the exercise of its sole discretion), to resell Formula Products on their own websites or on approved Third-Party Marketplaces.

6.3. **Restrictions Applicable to Online Retailers:** The following restrictions apply to the different categories of Online Retailers:

6.3.1. **Brick & Click Retailers** may sell Formula Products in their brick-and-mortar stores and over the Internet **only** through their own websites. They may **NOT** sell, and are **PROHIBITED** from selling Formula Products on: (i) any Third-Party Marketplaces; (ii) any social media/classified sites; or (iii) any auction sites.

6.3.2. **Click-Only Retailers** may sell Formula Products over the Internet **only** through their own websites. They may **NOT** sell, and are **PROHIBITED** from selling Formula Products on: (i) any Third-Party Marketplaces; (ii) any social media/classified sites; or (iii) any auction sites.

6.3.3. **E-Commerce Retailers** may sell Formula Products over the Internet on their own websites or on certain approved Third-Party Marketplaces as identified from time-to-time by ZEDER. They may **NOT** sell, and are **PROHIBITED** from selling Formula Products on: (i) any unapproved Third-Party Marketplaces; (ii) any unapproved social media/classified sites; or (iii) any unapproved auction sites.

Absent to ZEDER's prior written consent, no Online Retailer of any category may permit its website to be used as a web portal or Third-Party Marketplace for the sale of Formula Products by another person or entity.

6.4. **Selection Criteria:** The baseline requirement of all Online Retailers is the Authorised Reseller's operation and maintenance of a fully functional, easy-to-navigate and visually appealing website that ensures a positive purchasing experience for the intended end-users of ZEDER's Products. Toward that end, ZEDER generally considers the following criteria in deciding whether a retailer can be an Online Retailer:

- the visual appeal, both in general and to the intended end-user of the Authorised Reseller's website.
- the ease of use and functionality of the Authorised Reseller's website.
- the "look & feel" of the Authorised Reseller's website, as it relates to the promotion and enhancement of the image and goodwill associated with ZEDER's brands.
- the Authorised Reseller's offline and online target market.
- the availability of complementary Formula Products and services that enhance the end-user's experience.
- any unique or compelling advantages provided by the promotion and distribution of Formula Products by ZEDER through the Authorised Reseller's website.
- the Authorised Reseller's ability to meet a business opportunity not currently met by ZEDER's existing Authorised Reseller network.
- additional website features considered, but not required, by ZEDER in selecting Online Retailers are as follows:
 - **Visitor Tracking:** The Online Retailer's website has the ability to track end-user "foot traffic" by, for example, installing a "cookie" or a "pixel" on its website, to allow the retailer to identify the end-user.

- **Bounce Rate:** The Online Retailer's "Bounce Rate" -- a statistic that reflects the percentage of how many visitors enter a website and then quickly exit the website without moving beyond the homepage or making an online purchase.
- **Adwords/Paid Search Spending:** The estimated amount the Online Retailer spends with popular search engine providers (e.g., GOOGLE®, BING®) to promote its website or the brands sold on its website.

6.5. **Retailer Website Requirements:** Each Online Retailer is solely responsible for the design and development of its website.

Each Online Retailer must operate and maintain its own website in compliance with the following requirements:

- the Online Retailer's website must be notified to ZEDER
- all of the Online Retailer's URLs and/or any trade names must be notified to ZEDER before they can be used to sell Formula Products
- the Online Retailer must provide ZEDER a non-expiring URL hyperlink to each such ZEDER "brand page" enabling visitors to link directly from ZEDER's website to the corresponding "brand page" of the Online Retailer's website. Each ZEDER brand page on the website must:
 - prominently display the Online Retailer's appropriate Online Retailer badge (see Section 6 below);
 - display the applicable ZEDER brands in a banner or header;
 - contain a list of all ZEDER Product categories of the each applicable ZEDER brand carried on the website; and
 - utilize a format approved by ZEDER or a template provided by ZEDER.
- the Online Retailer's ownership of its website must be clear to the end-user from the overall appearance, graphics and trademark usage. The Online Retailer's name must be significantly more prominent than any ZEDER IP.
- ZEDER IP may not be used in the Online Retailer's domain name or URL unless they appear to the right of the top-level domain name (e.g. ".com") in the Online Retailer's URL.
- appropriate ZEDER IP may be used as a metatag to identify accurately that Formula Products are available for sale from the website.
- the website must be of sufficient aesthetic quality as determined by ZEDER.
- the website must prominently display the Online Retailer's customer service contact information.
- website functionality must minimally include:
 - A secure payment system for customer protection (e.g., PayPal, VeriSign).
 - Prominent display of and compliance with an online privacy policy at least as stringent as the ZEDER privacy policy.
 - 24/7 functionality 365 days a year with 99% uptime.
- the website must have the capability to utilize and quickly load high-resolution graphics to minimize online user frustration and maximize end-user satisfaction with the Online Retailer's website and the purchase experience.
- all ZEDER IP used on the website must meet all ZEDER standards.
- the website must provide an area commonly known as a "brand page" that displays each ZEDER brand carried by the Online Retailer.
- the website must contain all warranty information for the Formula Products carried.
- the website must be updated promptly (at least once each quarter) to include the latest ZEDER graphics and text information. The Online Retailer is responsible for obtaining this information from ZEDER and populating the data into its site.
- the owner of the website is actively investing and growing through organic and paid search functionalities that allow for competitive brand recognition.

6.6. **Online Badging of Online Retailers:** Upon selection as an Online Retailer, ZEDER will provide the "Authorised Online Retailer" badge. The badge informs both end-users and other Authorised Resellers of the Authorised Reseller's authorisation to sell Formula Products online.

Except as permitted in writing by ZEDER, each Online Retailer must prominently display on each of the ZEDER "brand pages" of its website the online badge provided to it by ZEDER. Each badge will

identify the Authorised Reseller as an Online Retailer for Formula Products and will be watermarked with a certification number for each Online Retailer website.

An online badge ensures the end-user that the Online Retailer is an authorised and trusted retailer of ZEDER who:

- is sufficiently familiar with Formula Products and available to answer questions.
- is committed to providing excellent customer service.
- has direct access to ZEDER Product managers and sales representatives.
- can offer the latest ZEDER promotions.
- sells only genuine Formula Products, which have not been tampered with or altered in any way.

6.7. Additional Requirements: All Online Retailers also must:

- provide shipping to ensure delivery of Formula Products purchased from the website to the end-user within seven (7) days if the Formula Products are in stock.
- comply with all laws.
- provide direct access to knowledgeable customer service representative by telephone.
- Consistently meet or exceed ZEDER end-user satisfaction standards as reflected in customer satisfaction survey results.

6.8. Authorised E-Commerce Retailers

6.8.1. Designation of E-Commerce Retailers: An Online Retailer may be designated by ZEDER as an E-Commerce Retailer if 75% or more of the Online Retailer's sales volume of Formula Products is generated through online sales.

6.8.2. ZEDER's Approval of Third-Party Marketplaces: An E-Commerce Retailer may market and sell those Formula Products that they are authorised to sell on their own websites and through Third-Party Marketplaces that have been approved by ZEDER. From time-to-time, ZEDER will notify its E-Commerce Retailers of any changes to the list of Third-Party Marketplaces that ZEDER has approved. ZEDER reserves the right to terminate its approval of any Third-Party Marketplace at any time and, upon any such termination, E-Commerce Retailers marketing and selling Formula Products through any such no-longer-approved Third-Party Marketplace must cease such marketing and sales promptly. ZEDER further reserves the right to prohibit, from time-to-time, the marketing and sale of certain designated Formula Products through all or some of the approved Third-Party Marketplaces.

6.8.3. Third-Party Marketplace Requirements: In order to market and sell Formula Products through approved Third-Party Marketplaces, the Ecommerce Retailer must comply with the following:

- be an Online Retailer in good standing.
- comply with this Policy.
- register all "seller" names that it uses on approved Third-Party Marketplaces indicating the "seller" name that will be used on each such approved Third-Party Marketplace.
- ZEDER IP may not be used in the E-Commerce Retailer's "seller" name on a Third-Party Marketplace.
- utilize a secure payment system for customer protection (e.g., PayPal, VeriSign).
- comply with all laws.
- maintain an online "store" or "store-front" on the approved Third-Party Marketplace that:
 - displays the "Authorised Online Retailer" badge and "clicks through" to a ZEDER verification page (provided after verification from ZEDER'), if permitted by the host of the Third-Party Marketplace.
 - uses ZEDER-provided marketing material and images.
 - provides a professional "look & feel" for ZEDER detail pages, including authorised ZEDER Product images, features/benefits, warranty and specifications.

- meets or exceeds ZEDER's standards as reflected in customer satisfaction survey results on the Third-Party Marketplace.
- maintain "seller" (or product) pages that clearly identify the E-Commerce Retailer and include its:
 - address.
 - phone number.
 - email address.
 - return policy (that supports ZEDER warranty policy).
 - contact name.
 - shipping information (i.e., the time it will ship from the E-Commerce Retailer's store/warehouse).
 - clearly displayed shipping policy and charges (e.g. \$7 flat rate shipping, or shipping calculation at checkout).
- have "About Us (Me)" or similar information on the approved Third-Party Marketplace that identifies the authorised status of the E-Commerce Retailer by displaying, if permitted, the appropriate "Authorised Online Retailer" badge and the following statement:

"[E-Commerce Retailer's name] has been appointed as an E-Commerce Retailer of Formula Products by satisfying the quality assurance standards of Formula Products, including those relating to end-user security and satisfaction, marketing accuracy and ZEDER Product and warranty support."

7. AUTHORISED DISTRIBUTORS

Authorised Resellers who primarily sell to other Authorised Resellers (e.g., wholesalers) are considered Authorised Distributors of Formula Products.

The following requirements apply to all Authorised Distributors of Formula Products:

- each Authorised Distributor must have a physical presence in and must operate at least one distribution warehouse (or "hub") in Australia.
- each Authorised Distributor must be capable of warehousing and stocking sufficient quantities of Formula Products to routinely meet the demands of Authorised Resellers.
- each Authorised Distributor must monitor their stocking levels and ZEDER Product availability weekly and maintain sufficient stocks of each ZEDER Product SKU supplied by ZEDER as is reflective of their role in ZEDER's vertical distribution network.
- each Authorised Distributor is expected to take all reasonably necessary steps to ensure that they sell Formula Products only to other Authorised Resellers including, but not limited to:
 - checking the websites of each of its retail customers for the applicable ZEDER authorisation badge for the Formula Products sold to those retailers.
 - in the event of any doubt as to a customer's authorisation, affirmatively inquiring regarding such status with ZEDER.
- each Authorised Distributor is permitted to sell to other Authorised Resellers online (either on its own website or through a third-party web portal) provided, however, that the online ordering/sales system must be password protected so it is accessible only to other Authorised Resellers, and **not** viewable or accessible to end-users.