

REDRANGER AUTHORISED RESELLER POLICY

VERSION 1

EFFECTIVE DATE: January 15th, 2018

1. INTRODUCTION

A person ("**Authorised Reseller**") may sell, distribute, advertise, market or promote Nolathane and/or Whiteline branded products ("**Redranger Products**") in Australia only to the extent and in the manner in which they are authorised to do so by Redranger Pty Ltd ABN 99 124 177 297 ("**Redranger**").

This Policy is used by Redranger in its selection and retention of Authorised Resellers. Redranger may limit the Redranger 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 Redranger Products. Redranger may conduct audits and unannounced, anonymous surveys and/or spot checks to assess an Authorised Reseller's compliance with this Policy.

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

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

The information contained in this Policy is considered confidential and proprietary to Redranger. 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

Redranger brands are symbols of quality. Redranger's continual quality assurance efforts require that Authorised Resellers maintain consistent quality standards in the marketing, sale and servicing of Redranger Products. Redranger holds its Authorised Resellers to a standard of excellence, which requires that they consistently meet or exceed the expectations of all end-users of Redranger Products, whether they are consumers or professional customers. Redranger'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 Redranger 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 Redranger 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, Redranger will review for authorisation. The decision as to whether to award authorisation rests within Redranger's sole discretion.

- 2.2. **Annual Compliance Review:** Compliance with this Policy is continuously monitored by Redranger. In addition to routine compliance evaluation, Authorised Resellers will be subject to an annual compliance review conducted by Redranger.
- 2.3. **Non-compliance:** Non-compliance with this Policy may result in suspension (for a period of time determined by Redranger) or termination of the Authorised Reseller's authorisation to sell one or more Redranger Products. Redranger will provide an Authorised Reseller with notice specifying the breach and a time within which to rectify the breach, failing which Redranger may suspend (for a period of time determined by Redranger) or terminate the Authorised Reseller's authorisation. The Authorised Reseller must provide to Redranger 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 Redranger) or termination with no further notice or opportunity to cure.
- 2.4. **Reinstatement:** Any request or application for reinstatement of authorisation to sell Redranger Products will not be considered within the same quarter in which the suspension or termination occurred. Redranger is under no obligation to consider any request for reinstatement of authorisation to sell Redranger Products. If considered at all, Redranger 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. REDRANGER IP LICENCE

- 3.1. **Redranger IP:** All Redranger 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 ("**Redranger IP**") associated with the Redranger Products remain Redranger's sole and exclusive property and nothing arising out of the relationship between Redranger and any Authorised Reseller conveys to the Authorised Reseller any ownership rights in the Redranger IP.
- 3.2. **Licence:** Redranger grants to each Authorised Reseller a limited, non-exclusive, non-transferable, non-sublicenseable license to use the Redranger IP in accordance with this Policy only in relation to the Redranger Products that the Authorised Reseller is authorised to sell.
- 3.3. **Use of Redranger IP:** Authorised Resellers may use the Redranger IP only in the advertising, promotion and sale of authentic Redranger Products in compliance with the terms of this Policy. The Redranger IP must be used exactly in the form provided and in conformity with any Redranger usage policies or guidelines, including, but not limited to shape, colour match and imprint quality. Any proposed deviation must be approved in writing by Redranger prior to use. Redranger will own any rights arising from an Authorised Reseller's use of graphics, text, format and other information provided by Redranger. Prior to any use of the Redranger IP on goods or services, the Authorised Reseller must submit samples for Redranger's approval. No Authorised Reseller may use Redranger Product depictions, graphics or logos relating to the Redranger Products that have not been provided by Redranger in connection with the advertising, promotion or sale of any Redranger Products without submitting samples to Redranger 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 Redranger 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:** Redranger employs selective distribution in order to ensure that the expectations of end-users of Redranger Products are consistently met or exceeded. In order to maintain this optimal customer experience, and to assure the integrity of

products sold under Redranger's brands, Redranger prohibits both the sale and purchase of Redranger Products to and from unauthorised resellers. Authorisation to sell Redranger Products is essential to Redranger's ability to protect against the distribution, sale and marketing of counterfeit or "knock-offs" of Redranger Products in the marketplace.

- 4.2. **Resale Prohibitions:** In order to assure that Redranger Products are not sold through distribution channels that Redranger has not approved, Authorised Resellers are not permitted to sell Redranger Products to any reseller that is not an Authorised Reseller, or otherwise assist in or facilitate sales of Redranger Products by a reseller that is not an Authorised Reseller, without Redranger's prior written consent. By restricting the sale of Redranger Products by Authorised Resellers to other Authorised Resellers, Redranger is best able to assure the authenticity of the Redranger 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 Redranger Products. Before selling any Redranger 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 Redranger Products, the Authorised Reseller should contact Redranger to obtain assurance that the prospective purchaser is an Authorised Reseller. In addition, without Redranger's prior written consent, an Authorised Reseller may not conduct the business of selling Redranger Products under any name that has not been approved by Redranger.
- 4.3. **Purchase Prohibitions:** Authorised Resellers may only purchase Redranger Products from Redranger or another Authorised Reseller/ Distributor.
- 4.4. **Retailer Sales to End-Users Limited to Australia:** The Redranger Products are designed, manufactured and packaged to country-specific requirements. The sale of Redranger Products into geographic areas in which the Redranger Products were not intended to be sold, therefore, is prohibited. Redranger 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 Redranger Product service, replacement parts and safety and recall notices relating to Redranger Products that are intended for sale in Australia. Except as authorised in writing by Redranger, Authorised Resellers may only sell Redranger Products to end-users and other Authorised Resellers that are located in Australia.
- 4.5. **Original Packaging and Redranger Product Configurations Requirement:** Except as expressly authorised in writing by Redranger, Redranger Products must be sold by the Authorised Reseller in the same configuration and packaging as they were purchased from Redranger. If the product number is used to describe the Redranger Product, it must be the product number designated by Redranger.
- 4.6. **Other Restrictions on the Sale of Certain Redranger Products:** Redranger expressly reserves the right to determine which of the Redranger Products to offer for sale to each of its Authorised Resellers and may designate certain Redranger Products for distribution and sale to select customers, channels or retail platforms. Within the exercise of its sole discretion, for example, Redranger may designate certain Redranger Products for sale only to certain Authorised Resellers or may prohibit Authorised Resellers from reselling designated Redranger 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 Redranger Product SKUs.
- B&M Retailer must maintain a knowledgeable sales staff and customer service support.
- B&M Retailer must provide to Redranger 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 Redranger (in the exercise of its sole discretion) to resell Redranger 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 Redranger (in the exercise of its sole discretion) to resell Redranger 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 Redranger (in the exercise of its sole discretion), to resell Redranger 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 Redranger 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 Redranger 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 Redranger Products over the Internet **only** through their own websites. They may **NOT** sell, and are **PROHIBITED** from selling Redranger 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 Redranger Products over the Internet on their own websites or on certain approved Third-Party Marketplaces as identified from time-to-time by Redranger. They may **NOT** sell, and are **PROHIBITED** from selling Redranger Products on: (i) any unapproved Third-Party Marketplaces; (ii) any unapproved social media/classified sites; or (iii) any unapproved auction sites.
- Absent to Redranger'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 Redranger 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 Redranger's Products. Toward that end, Redranger 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 Redranger's brands.
- the Authorised Reseller's offline and online target market.
- the availability of complementary Redranger Products and services that enhance the end-user's experience.
- any unique or compelling advantages provided by the promotion and distribution of Redranger Products by Redranger through the Authorised Reseller's website.
- the Authorised Reseller's ability to meet a business opportunity not currently met by Redranger's existing Authorised Reseller network.

- additional website features considered, but not required, by Redranger 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 Redranger
- all of the Online Retailer's URLs and/or any trade names must be notified to Redranger before they can be used to sell Redranger Products
- the Online Retailer must provide Redranger a non-expiring URL hyperlink to each such Redranger "brand page" enabling visitors to link directly from Redranger's website to the corresponding "brand page" of the Online Retailer's website. Each Redranger brand page on the website must:
 - prominently display the Online Retailer's appropriate Online Retailer badge (see Section 6 below);
 - display the applicable Redranger brands in a banner or header;
 - contain a list of all Redranger Product categories of the each applicable Redranger brand carried on the website; and
 - utilize a format approved by Redranger or a template provided by Redranger.
- 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 Redranger IP.
- Redranger 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 Redranger IP may be used as a metatag to identify accurately that Redranger Products are available for sale from the website.
- the website must be of sufficient aesthetic quality as determined by Redranger.
- 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 Redranger 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 Redranger IP used on the website must meet all Redranger standards.
- the website must provide an area commonly known as a "brand page" that displays each Redranger brand carried by the Online Retailer.
- the website must contain all warranty information for the Redranger Products carried.
- the website must be updated promptly (at least once each quarter) to include the latest Redranger graphics and text information. The Online Retailer is responsible for obtaining this information from Redranger 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, Redranger 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 Redranger Products online.

Except as permitted in writing by Redranger, each Online Retailer must prominently display on each of the Redranger “brand pages” of its website the online badge provided to it by Redranger. Each badge will identify the Authorised Reseller as an Online Retailer for Redranger 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 Redranger who:

- is sufficiently familiar with Redranger Products and available to answer questions.
- is committed to providing excellent customer service.
- has direct access to Redranger Product managers and sales representatives.
- can offer the latest Redranger promotions.
- sells only genuine Redranger 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 Redranger Products purchased from the website to the end-user within seven (7) days if the Redranger Products are in stock.
- comply with all laws.
- provide direct access to knowledgeable customer service representative by telephone.
- Consistently meet or exceed Redranger 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 Redranger as an E-Commerce Retailer if 75% or more of the Online Retailer’s sales volume of Redranger Products is generated through online sales.

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

- 6.8.3. **Third-Party Marketplace Requirements:** In order to market and sell Redranger 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.
- Redranger 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 Redranger verification page (provided after verification from Redranger'), if permitted by the host of the Third-Party Marketplace.
 - uses Redranger-provided marketing material and images.
 - provides a professional "look & feel" for Redranger detail pages, including authorised Redranger Product images, features/benefits, warranty and specifications.
 - meets or exceeds Redranger'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 Redranger 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 Redranger Products by satisfying the quality assurance standards of Redranger Products, including those relating to end-user security and satisfaction, marketing accuracy and Redranger Product and warranty support."

7. AUTHORISED DISTRIBUTORS

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

The following requirements apply to all Authorised Distributors of Redranger 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 Redranger Products to routinely meet the demands of Authorised Resellers.
- each Authorised Distributor must monitor their stocking levels and Redranger Product availability weekly and maintain sufficient stocks of each Redranger Product SKU supplied by Redranger as is reflective of their role in Redranger's vertical distribution network.
- each Authorised Distributor is expected to take all reasonably necessary steps to ensure that they sell Redranger Products only to other Authorised Resellers including, but not limited to:
 - checking the websites of each of its retail customers for the applicable Redranger authorisation badge for the Redranger Products sold to those retailers.
 - in the event of any doubt as to a customer's authorisation, affirmatively inquiring regarding such status with Redranger.
- 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.