

# SHURHOLD CLEAN-N-SIMPLE MAP POLICY

## **EFFECTIVE AS OF OCTOBER 1, 2018**

Shurhold Industries, Inc. ("Shurhold") has unilaterally adopted this Shurhold Clean-N-Simple MAP Policy (this "Policy") effective as of October 1, 2018 (the "Policy Effective Date"), which (a) is applicable to each Dealer and (b) consists of two parts (i) a policy regarding minimum advertised price (the "Minimum Advertised Price Policy" or the "MAP Policy") and (ii) a policy dealing with advertising and marketing (the "Advertising and Marketing Policy").

For purposes of this Policy: (a) "Dealer" (in the plural, "Dealers") means an individual or entity located in either or both of the United States of America ("USA") or Canada that (i) promotes and sells or either thereof any or all products offered by Shurhold regardless of brand (in the plural, "Shurhold Products") to one or more actual or potential end user purchasers (collectively, "end users" and individually, an "end user"), whether doing so directly or through another party that does such things as advertise or fulfill orders on behalf of such individual or entity or (ii) is a Distributor, but only to the extent, if any, that such Distributor performs as a Dealer; (b) the "Distributors" ("Distributor" in the singular) means, collectively, each individual or entity designated as such by Shurhold Notice (unless and until such notice is provided by Shurhold, each individual and entity otherwise permitted by Shurhold to sell to one or more Dealers will be considered a Distributor; and (c) "Shurhold Notice" means notice from Shurhold to a Dealer provided or made available electronically or otherwise, such as, but not limited to, posting on one or more websites designated by Shurhold.

1. Purpose. Since its beginning, Shurhold has designed and manufactured the most innovative specialty care and accessory products available for the marine, recreational vehicle and automotive industries, maintaining the highest standard of quality and service for all of its products. Some Dealers have taken or may take advantage of these facts by advertising such products as loss leaders, promoting unfair discounts or misusing intellectual property of Shurhold or references to Shurhold or its products. In an effort to help safeguard the reputation of Shurhold, insure the long-term viability of its brands and protect the investment of those Dealers that provide valuable services to end users, Shurhold has adopted this Policy.

### 2. The Minimum Advertised Price Policy.

- (a) <u>The MAP Products</u>. The MAP Policy establishes a minimum advertised price ("Minimum Advertised Price" or "MAP" and referring to either the singular or the plural or both, "MAP(s)") for each of the Shurhold Products as specified by Shurhold Notice (individually, a "MAP Product" and collectively, "MAP Products"), including without limitation on the price list(s) or product list(s) provided or otherwise made available to each Dealer by Shurhold (individually and collectively, the "MAP Products List"). For purposes of this Policy, "Shurhold Notice" means notice from Shurhold to a Dealer provided or made available electronically or otherwise, such as, but not limited to, posting on one or more websites designated by Shurhold.
- (b) Offering Prices Only. The MAP Policy applies: (i) only to the price(s) at which any or all of the MAP Products is or are made available in any way (whether through advertising, promotion, proposal, quotation or otherwise and regardless of place or medium used) (individually and collectively, "offering" and its variants) and not to actual sales price(s), so each Dealer remains free to sell at any price(s) it chooses and (ii) to all offers made by or on behalf of a Dealer containing Price Information in or through either or both of Conventional Advertising and Electronic Content, but not those made inside a brick-and-mortar store. When applied to websites, the MAP Policy considers Price Information appearing or otherwise conveyed both outside the cart (or other container) and in the cart (or other container) to be subject to the MAP Policy.
- (c) <u>Certain Definitions</u>. For purposes of this Policy: (i) "*Price Information*" means information regarding price, whether, express or implied, such as a discrete price, price formula, reference to price or anything related to price (e.g., representations or inferences regarding savings, discount(s) or value) and the substantive equivalent; (ii) "*Conventional Advertising*" means, but is not limited to newspapers, magazines, rotos, direct mail, catalogs, radio, television and signs; and (iii) "*Electronic Content*" means information that (A) can be accessed by an internet browser or anything which Shurhold considers to be the substantive equivalent, including, but not limited to, (1) internet shopping sites, (2) marketplaces and (3) comparison search engines (CSEs) to which a Dealer supplies pricing information (e.g., Google Shopping, Buy.com, eBay, Amazon and PriceGrabber); (B) is provided by or through one or more applications (apps) for mobile devices (e.g., tablets and smartphones), including, but not limited to, social media apps (e.g., Twitter, Instagram and Facebook) and mobile gaming platforms; or (C) is furnished by or through (1) electronic solicitations or other electronic communications (e.g., robocalls, caller-on-hold and other audio recordings, messaging (such as SMS (text), MMS (multimedia) and IM (instant)), webcasts, email and online or other electronic chats), (2) electronic advertisements (such as email newsletters, pop-ups and banners) or (3) anything which Shurhold considers to be the substantive equivalent.
- (e) <u>Violations of the MAP Policy</u>. Although each Dealer remains free to establish its own resale prices, such Dealer violates the MAP Policy by: (i), directly or indirectly through another party on behalf or for the benefit of such Dealer, offering one or more of the MAP Products at a Net Adjusted Price less than the corresponding MAP(s) established by Shurhold from time to time and communicated to such Dealer or (ii), as provided in the MAP Policy, being deemed to have violated it. For purposes of this Policy, "Net Adjusted Price" means the price at which a MAP Product is offered by or for the benefit of a Dealer to an end user (potential or actual) after (i) applying all discounts and similar price reductions and (ii) excluding certain taxes and shipment charges.
- (f) <u>Calculation of Net Adjusted Price</u>. Except as otherwise provided in the MAP Policy, for each Dealer, Net Adjusted Price will be calculated by:
- (i) <u>Including Discounts</u>: Taking into account all discounts, deductions, rebates and allowances offered to a potential or actual end user (regardless of source, whether given or taken at the time of offer, sale or otherwise and considered by Shurhold to be part of such offer), **except for the following:** 
  - (A) <u>Rebates/Coupons from Shurhold</u>: Each offer referring to or applying a rebate, coupon or the substantive equivalent will not be considered part of Net Adjusted Price if such rebate, coupon or the substantive equivalent is provided by Shurhold or its designee(s) (1)

- directly to such end user or (2) to such Dealer for provision to and use by such end user;
- (B) <u>Gift Cards</u>: Each offer referring to or applying one or more gift cards, as long as such use is in a transaction separate from the purchase or award of such card(s) (However, one or more gift cards offered with the purchase of any or all of the MAP Products will be considered a discount, except as otherwise provided in the MAP Policy.); and
- (C) <u>Free/Reduced-Price Shipping</u>: Free or reduced-price shipping may be offered by such Dealer without it being considered to be a discount when offered in connection with a potential or actual purchase that includes at least one of the MAP Products; and
- (ii) <u>Excluding Taxes/Certain Charges</u>: Excluding, if to be paid by such end user, all applicable taxes and all shipping, delivery and insurance charges (However, if such Dealer offers to pay any or all of such taxes and such charges that otherwise would be paid by such end user, the amount so offered by such Dealer will be considered a discount, except as otherwise provided in the MAP Policy.).

The fair market value for each MAP Product offered for free or at a reduced price with the purchase of another MAP Product will be its MAP. From time to time, Shurhold may communicate to a Dealer by Shurhold Notice what it considers to be the fair market value for particular goods or services. Unless otherwise directed by Shurhold, each time the same MAP Product is offered in pairs or other groupings, the offer price must be no less that the applicable MAP multiplied by the number of units in such offer.

- (g) <u>Changes Relevant to the MAP Policy</u>. Shurhold, at any time, may vary one or more of the MAP(s) for a MAP Product or add to or delete any or all of the MAP Products, which may, among other things, be based on whether such product(s) is or are offered under or subject to one or more select Shurhold programs or any other Shurhold policy or in any other situation announced by Shurhold from time to time. Shurhold will endeavor to provide prior notice of each new MAP or such change in the MAP Products, generally not less than five (5) days in advance. While Shurhold will communicate each MAP and such change through Shurhold Notice (including without limitation on the MAP Products List), each Dealer is responsible for making sure that it is aware of each appropriate MAP and MAP Product in each circumstance.
- (h) <u>The MAP Policy Exemptions</u>. A Dealer does not violate the MAP Policy by offering any or all of the MAP Products at a Net Adjusted Price that is less than the applicable MAP(s) if such offer is made in accordance with one or more of the following exemptions (collectively, the "MAP Policy Exemptions") and otherwise complies with this Policy:
- (i) <u>Live Telephone or email</u>: Individualized live telephone communication or individualized live email (*i.e.*, not automated bounce-back email or the substantive equivalent) in direct response to a specific inquiry from a potential or actual end user;
- (ii) Returns: In the case of returns of any or all items of the MAP Products permitted by Shurhold, each offer thereof to Shurhold or to any or all of the Distributors:
- (iii) <u>Grandfathered Offers</u>: Each offer that cannot reasonably be modified (as determined by Shurhold) prior to the Policy Effective Date or the effective date of a change in the MAP(s), the MAP Products or the MAP Policy until such time that it is reasonable to revise it (as determined by Shurhold) to be consistent with the MAP Policy, as long as, if the MAP Policy was in place at the time such offer was made, it complied with the then-current terms thereof:
- (iv) Military Exchanges: The offer of any or all of the MAP Products below its or their MAP(s); provided that, such offer: (A) is made by a Dealer that is or is a part of the Army & Air Force Exchange Service (AAFES) or one of the other U.S. military or veterans' exchanges (i.e., that operated by the Navy (NEX), Marine Corps (MCX), Coast Guard (CGX) or Veterans Canteen Service (VCS)) or the Canadian Forces Exchange System (CANEX); (B) is made only to end users or potential end users eligible to shop at such exchange(s); and (C) is at a Net Adjusted Price that is no less than ninety-five percent (95%) of the then-applicable MAP, unless Shurhold has expressly approved in advance a larger deviation; and
- (v) <u>Employee Offers</u>: The offer of any or all of the MAP Products to a bona fide employee of such Dealer for his or her personal use (and not for resale), provided that such offer is not advertised to the general public.

#### 3. The Advertising and Marketing Policy.

- (a) <u>Use of Shurhold Intellectual Property or References to Shurhold Products</u>. A Dealer violates the A&M Policy if any advertisement, promotion or other marketing vehicle (regardless of the medium used, whether Conventional Advertising, Electronic Content or otherwise) used or done by or on behalf of such Dealer (i) includes any or all Shurhold Intellectual Property or mentions, uses, depicts or otherwise refers to any or all of the Shurhold Products and (ii) either (A) does not conform to the Usage Policies or (B) otherwise is not expressly approved in advance by Shurhold Notice.
- (b) <u>Some Relevant Definitions</u>. For purposes of this Policy: (i) "Shurhold Intellectual Property" means any and all trademarks, trade names, service marks, copyrights, logotypes, images, artwork, designs, copy, data, data bases, marketing information, trade secrets, confidential information and anything else in which Shurhold or its designee(s) claim(s) rights, regardless whether steps have been taken to register such rights with any government authority and (ii) the "Usage Policies" means policies regarding (A) the use of Shurhold Intellectual Property and (B) uses, depictions or other references of or to any or all of the Shurhold Products (including without limitation those policies relating to format and content) made available by Shurhold through Shurhold Notice.
- (c) Other Restrictions under the A&M Policy. Except as expressly authorized by Shurhold Notice or otherwise allowed by this Policy, with respect to any or all items of Shurhold Products, a Dealer violates the A&M Policy by knowingly or negligently, directly or indirectly:
- (i) <u>Promotion and Sale</u>: Advertising, promoting or selling in any or all of the following ways: (A) using any business name(s) or storefront(s) other than such Dealer's full business name or acceptable variants thereof (as determined by Shurhold) and (B) online in any fashion, unless and only to the extent each website and marketplace used for such purpose by such Dealer (along with each business name and storefront) is approved in advance by Shurhold for such use and which approval has not been rescinded by Shurhold Notice ("Approved Website Rescission");
- (ii) Resale: Selling in either or both of the following ways: (A) to anyone for resale (other than, in the case of returns of any or all items of Shurhold

Products permitted by Shurhold, to Shurhold or any or all of the Distributors) and (B) to anyone other than end users permitted by Shurhold, including without limitation to the Special Accounts (for purposes of this Policy, the "Special Accounts" means, collectively, each individual or entity so designated by Shurhold Notice);

- (iii) Online Presence: With respect to online marketing (A) offering or selling anonymously, (B) failing to clearly and prominently indicate the full name, address and telephone and email contact(s) of such Dealer; (C) giving the impression (as determined by Shurhold) that any or all of the websites used by such Dealer is or are operated by Shurhold; and (D) failing to fully and promptly comply with the direction provided by Shurhold Notice in the event of an Approved Website Rescission;
- (iv) <u>Domains</u>: Using any or all of Shurhold, its trademarks or other Shurhold Intellectual Property (or any variant(s) thereof) as or as part of one or more domain names ("**Domains**") or the substantive equivalent employed by or for the benefit of such Dealer, regardless whether such use is in connection with the offering or sale of any or all Shurhold Products;
- (v) New ASINs: Creating or assisting in or otherwise cooperating in the creation of new Amazon Standard Identification Numbers ("ASINs") for any or all Shurhold Products:
- (vi) <u>Certain Purchases</u>: Purchasing any or all Shurhold Products other than from Shurhold, a Distributor or, in the case of bona fide returns only, an end user; and
- (vii) Modifications or Counterfeits: Offering or selling one or more products that are modified or counterfeit version(s) of one or more Shurhold Products.
- (d) <u>The A&M Policy Exemption</u>. Provided that a Dealer otherwise complies with this Policy, such Dealer does not violate the A&M Policy by conduct that, as determined by Shurhold, cannot reasonably be modified prior to the Policy Effective Date or the effective date of a change in the A&M Policy or the Usage Policies until such time that it is reasonable to modify such conduct (as determined by Shurhold) to be consistent with the A&M Policy or the Usage Policies (the "A&M Policy Exemption").
- 4. Other Ways to Violate this Policy. Except as expressly authorized or directed by Shurhold Notice or otherwise permitted by this Policy or to the extent limited to the MAP Products as provided herein, a Dealer (directly or through another party on behalf or for the benefit of such Dealer) using or engaging in any or all of the following conduct (or the substantive equivalent) in connection (directly or indirectly) with the offering of any or all Shurhold Products will be deemed to be a violation of this Policy:
- (a) <u>Sale Promotion</u>: Using (in meta tags or anywhere else) any or all of the terms "Shurhold on sale," "Shurhold sale," "Save on Shurhold," "20% off Shurhold" or the substantive equivalent, except for and limited to any or all the Shurhold Products deemed to be discontinued by Shurhold Notice and then only if each such use clearly and conspicuously indicates that only discontinued products are involved;
- (b) <u>Strike-Throughs</u>: In connection with the offering of any or all of the MAP Products, showing a strike-through of any MAP(s) regardless whether one or more other prices is or are shown;
- (d) <u>Price Variance</u>: If a price for a MAP Product is shown in internet advertising or promotion permitted by this Policy and the price for such product varies (exclusive of applicable taxes and all shipping, delivery and insurance charges) across any or all of (i) the initial webpage mentioning, depicting or describing such product (if a price for such product appears on such page), (ii) the in-the-cart (or other container) price and (iii) the substantive equivalent of either or both of them as determined by Shurhold;
- (e) <u>Bundling</u>: Offering a Bundle, unless such combination (i) originates from Shurhold, (ii) is authorized on the price list(s) from Shurhold prior to such offer or (iii) otherwise has been expressly approved by Shurhold Notice to such Dealer in advance (for purposes of this Policy, "**Bundle**" means a combination consisting of one or more Shurhold Products and one or more other products or services (whether originating from Shurhold or otherwise) offered or sold together);
- (f) <u>Invitations to Take Action</u>: Providing an invitation to click, rollover, visit a location (such as a website, store or showroom) or otherwise communicate to obtain a price, except indicating the ability of end users to make specific inquiries by telephone or email to obtain a price is permissible, as long as neither of the following (or the substantive equivalent) is used to transmit Price Information: (i) automated call(s) or (ii) automated "bounce-back" email:
- (g) Group Purchasers: With respect to the MAP Products, the offer to group purchasers, except at price(s) no less than each applicable MAP; and
- (j) Circumvention: Each tactic which Shurhold determines is intended to circumvent application or operation of this Policy.
- 5. Consequences of Violating this Policy. One or more of the following will occur following verification by Shurhold to its satisfaction that a Dealer has violated this Policy (loss of product access will be enforced through use of a Do-Not-Sell List (see Section 7 below)):

<u>Violation</u>	<u>Consequences</u>
First Violation	Shurhold will provide notice of such violation to such Dealer and may request that such Dealer remove or stop, or cause to be removed or stopped such violation within the time period specified in such notice, which typically will be one of the following: (a) no later than twenty-four (24) hours (usually for a violation involving Electronic Content) or (b) by the conclusion of the period otherwise specified by Shurhold (regardless whether any action need be taken, a violation has been accrued).
Second Violation	Effective as of the date specified in notice from Shurhold to such Dealer, the authorization of such Dealer to purchase each stock-keeping unit ("SKU") in the product family involved in the second violation (as determined by Shurhold) will be immediately revoked by Shurhold, so that, for the next forty-five (45) days, all pending orders (even if accepted) from such Dealer will be cancelled and no new orders will be accepted from such Dealer for each such SKU.

Third Violation	Effective as of the date specified in notice from Shurhold to such Dealer and continuing for the next ninety (90) days, either or both of the following will occur with respect to the product family in which each SKU involved in the third violation (as determined by Shurhold) resides: (a) all accrued, but unpaid, promotional payments, allowances, rebates and discounts for such Dealer (collectively, "Accruals") are lost and no additional Accruals will be earned or paid for such period or (b) the authorization of such Dealer to purchase each such SKU will be immediately revoked by Shurhold, so that all pending orders (even if accepted) from such Dealer will be cancelled and no new orders will be accepted from such Dealer for each such SKU. (If the forty-five (45) day period for the second violation of this Policy has not run and the third violation of this Policy involves the same product family as that of the second (as determined by Shurhold), the ninety (90) day period will begin after the forty-five (45) day period concludes.)
Fourth Violation	Effective as of the date specified in notice from Shurhold to such Dealer and continuing until Shurhold provides notice to such Dealer otherwise, if ever, the authorization of such Dealer to purchase any or all of the Shurhold Products designated by Shurhold (the "Designated Products") will be immediately revoked by Shurhold, so that all pending orders (even if accepted) from such Dealer will be cancelled and no new orders will be accepted from such Dealer for any or all of the Designated Products.
Continued Violations	If such Dealer fails to remove or stop, or cause to be removed or stopped, a violation within the time period specified by Shurhold in the notice of such violation, such failure will be a subsequent violation of this Policy.
Additional Violations after the Fourth	In the event that, after the fourth violation of this Policy by such Dealer, either or both of the following is or are relevant: (a) the Designated Products do not include all Shurhold Products or (b) Shurhold provides notice to such Dealer that Shurhold has reauthorized such Dealer to purchase any or all of the Designated Products, then each act or failure to act of such Dealer that constitutes a violation of this Policy (or is deemed by Shurhold to be such a violation) will receive the same treatment as if a new fourth violation had then occurred.

- **6.** <u>Treatment of Violations</u>. Each violation of this Policy is cumulative. Except as otherwise noted, the consequences of each violation can take effect regardless whether the consequences for the preceding violation(s) are still running. The same act(s) or failure(s) to act may result in multiple violations.
- 7. <u>Do-Not-Sell List</u>. For each Dealer purchasing any or all Shurhold Products from one or more of the Distributors, loss of product access under this Policy will be enforced through a Do-Not-Sell List. For purposes of this Policy, "*Do-Not-Sell List*" means Shurhold Notice provided to Distributors, which indicates that (a) one or more individuals or entities is or are not authorized by Shurhold to promote or sell Shurhold Products or (b) the authorization of a Dealer to promote and sell Shurhold Products has been revoked in whole or part with respect to all such products or revoked only with respect to certain of such products.
- 8. Additional Provisions. Effective as of the Policy Effective Date, this Policy supersedes and cancels each other policy applicable to each Dealer from Shurhold for any or all Shurhold Products, if any, regarding minimum advertised price (MAP), resale price or, to the extent covered by this Policy, the advertising and marketing matters referred to herein. For any reason(s) deemed appropriate by Shurhold (including without limitation based on the request of a Dealer for Shurhold to consider such things as, but not necessarily restricted to, limited-time promotional offers for a Dealer event or otherwise), but, in no case other than as the unilateral decision of Shurhold, this Policy may be modified, extended, waived, suspended, discontinued or rescinded in whole or part by Shurhold Notice at any time (including without limitation during any Shurhold-designated promotional period(s)), with such action(s) effective immediately or as otherwise described by Shurhold. If Shurhold negotiates a price or prices with an end user that is or are less than the MAP(s) and provides a Dealer the opportunity to offer to fulfill one or more orders at such price(s), acceptance by such Dealer of such opportunity will not constitute a violation of this Policy.

The availability of any or all items of Shurhold Products may be changed by Shurhold any time, in which case, any or all of Shurhold, each Distributor and each other individual or entity supplying a Dealer may without liability or penalty (a) cancel all pending orders (even if accepted) from a Dealer for such changed item(s) and (b) refuse to accept any new orders from a Dealer for such item(s). Unless Shurhold designates otherwise, for purposes of compliance with this Policy, each business (regardless of the name(s) used and location(s)) directly or indirectly owned, operated or associated with a Dealer (as determined by Shurhold) will be considered to part of such Dealer, so that each violation by any such business will be aggregated with that or those of each other such business and attributed to such Dealer. If the approval of Shurhold under this Policy is sought by a Dealer, the failure to obtain it no later than seven (7) days after the date of such request will be deemed to be a disapproval of each thing for which such approval is sought.

Regardless whether expressly indicated in this Policy, each notice referred to herein (including without limitation Shurhold Notice): (a) may, as determined by Shurhold, be given in writing or electronically and (b) will be considered to be received as designated by Shurhold. The Explanation (which also may be referred to as "Frequently Asked Questions," "FAQs" or the substantive equivalent), if any, accompanying or associated with this Policy is intended to help answer questions in connection with them, but is not part of this Policy. In the event of any disagreement over the interpretation or enforcement of this Policy, the view of Shurhold will control. For purposes of this Policy, "substantive equivalent" means as determined by Shurhold.

If Shurhold determines that such Dealer does not qualify for or abused any or all of the MAP Policy Exemptions and the A&M Policy Exemption, such exemption(s) with respect to such Dealer will be deemed withdrawn by Shurhold retroactive to the Policy Effective Date or such other date specified by Shurhold. Except in extraordinary circumstances, Shurhold will not consider any requests for other exemptions. The consequences of violating this Policy are non-exclusive and do not limit or waive in any way the legal, equitable and other remedies available to Shurhold, particularly for conduct relating to Shurhold Intellectual Property. If applicable law contains any requirement or prohibition that is inconsistent with this Policy, Shurhold may, effective as designated by Shurhold, add or substitute such requirement, accommodate such prohibition or rescind this Policy in whole or part.

Shurhold will not discuss any conditions of acceptance related to this Policy. In addition, Shurhold neither solicits, nor will it accept, any assurance of compliance with this Policy. Notwithstanding anything to the contrary which may be expressed or implied in or by one or more agreements between a Dealer and Shurhold or a Dealer and a Distributor or otherwise, nothing therein shall constitute an agreement by such Dealer to comply with this Policy, as, among other things, this Policy is not and should not be construed to be one of the Shurhold Policies (as such term or the substantive equivalent is or may

be used in any or all of such agreements or otherwise) for which such compliance is mandatory.

**9.** Questions, Additional Information or Information Regarding Potential Violations. All questions or requests for additional information regarding this Policy and all information regarding potential violations of this Policy must be in writing and are to be addressed to the following person at Shurhold responsible for this Policy ("Policy Administrator"):

Policy Administrator, Shurhold Industries, Inc., 3119 SW 42nd Avenue, Palm City, FL 34990 email: policyadmin@shurhold.com

Only the Policy Administrator or the Policy Administrator's designated representative(s) is or are authorized by Shurhold to answer questions regarding this Policy, to comment on this Policy or to accept information regarding potential violations. Except for the Policy Administrator and such representative(s), no Shurhold employee or independent sales representative has authority to comment upon or to take any action under this Policy.

052918/22568765.3



# DISTRIBUTOR PROTECTION POLICY

## **EFFECTIVE AS OF OCTOBER 1, 2018**

Shurhold Industries, Inc. ("Shurhold") has unilaterally adopted this Distributor Protection Policy (this "Policy") effective as of October 1, 2018 (the "Policy Effective Date"), which is applicable to each Distributor. For purposes of this Policy, "Distributor" means a reseller located in the United States of America ("USA") or Canada that directly or indirectly promotes and sells to others for resale one or more products offered by Shurhold regardless of brand (collectively, "Shurhold Products"). (Certain other terms are defined in Section 1(f) of this Policy.)

#### 1. Responsibilities.

- (a) Requirements. Except as otherwise directed or approved in advance by Shurhold Notice, Distributor, at its own expense, will do each of the following:
- (i) Communications. Promptly transmit to each individual and entity communications from Shurhold as Shurhold designates;
- (ii) Activities. With respect to any or all items of Shurhold Products (or, if so designated by Shurhold, just one or more particular items of Shurhold Products) refrain from knowingly or negligently directly or indirectly selling, supplying or drop shipping in any or all of the following ways to or on behalf of: (A) anyone for resale other than any or all of the Authorized Dealers and, for purposes of Shurhold-authorized returns, Shurhold; (B) any or all end user purchasers, unless Distributor chooses to comply with the then-current version of the Shurhold Clean-N-Simple MAP Policy (Distributor may drop ship to one or more end user purchasers (but not resellers) on behalf of any or all the Authorized Dealers, so long as Distributor has not received Shurhold Notice which rescinds the approval of Shurhold therefor); and (C) each individual and entity that is one of the Special Accounts or that appears on the then-current Do-Not-Sell List (including without limitation drop shipping on behalf thereof), except to the extent as may be permitted therein;
- (iii) <u>POS Reporting</u>. To facilitate enforcement of Shurhold policies and when and to the extent requested by Shurhold, promptly and in timely fashion submit to Shurhold (in a format and with the content specified by Shurhold from time to time) electronically in an uploadable file or as otherwise described by Shurhold point-of-sale ("**POS**") information regarding sales by Distributor of Shurhold Products during the time period(s) described by Shurhold;
- (iv) Compliance. Comply: (A) with all laws and, except to the extent expressly excluded by Shurhold from mandatory compliance therewith, all of the Distributor Policies and (B), promptly and in timely fashion, with whatever request may be made by Shurhold relating to any law or expectation thereof or the modification or recall of any or all items of Shurhold Products; and
- (v) <u>Audits</u>. Promptly provide information requested by Shurhold or otherwise cooperate with Shurhold in auditing compliance by Distributor or others with this Policy or other Shurhold policies, which audit(s) may include without limitation one or more representatives of Shurhold during normal business hours (A) appearing at the place(s) of business of Distributor and examining books and records related to such compliance and (B) interviewing relevant personnel.
- (b) <u>Do-Not-Sell List</u>. Immediately upon receipt by Distributor of each Do-Not-Sell List, Distributor will cancel all pending orders (even if accepted) from each individual or entity identified in such Do-Not-Sell List and refuse to accept any new orders from such individual(s), entity or entities for (or otherwise supply to or drop ship on behalf of any and all of them): (i), in the case of an Unauthorized Dealer or a Complete Revocation, any and all Shurhold Products or (ii), in the case of a Partial Revocation, any and all of the Select Products.
- (c) <u>Use of Shurhold Intellectual Property</u>. Distributor violates this Policy if any advertisement, promotion or other marketing vehicle (regardless of the medium) used or done by or on behalf of Distributor (i) includes any or all Shurhold Intellectual Property or mentions, uses, depicts or otherwise refers to any or all Shurhold Products and (ii) either (A) does not conform to the Usage Policies or (B) otherwise is not expressly approved in advance by Shurhold Notice.
- (d) <u>Orders</u>. In the event that Shurhold receives one or more orders (or similar or related documents) from Distributor which contain one or more provisions which are inconsistent with or in addition to any or all provisions of the Distributor Policies: (i) each such order (or document) will be conclusively deemed to be governed by the Distributor Policies; (ii) each such inconsistent or additional provision will be deemed stricken; and (iii) no order submitted to Shurhold by Distributor will be deemed to be governed by any provision(s) other than that or those contained in the Distributor Policies, unless and until a written agreement is duly executed by Shurhold and Distributor which expressly adopts such provision(s). The availability of any or all items of Shurhold Products may be changed by Shurhold anytime, in which case, Shurhold may without liability or penalty do either or both of the following: (A) cancel all pending orders (even if accepted) from Distributor for such changed item(s) and (B) refuse to accept any new orders from Distributor for such item(s).
- (e) Exception. Distributor does not violate this Policy by conduct that, as determined by Shurhold, cannot reasonably be modified prior to the Policy Effective Date or the effective date of a change in this Policy or the Usage Policies until such time that it is reasonable to modify such conduct (as determined by Shurhold) to be consistent with this Policy or the Usage Policies, as long as, at the time of such conduct, Distributor was in compliance with the then-current terms, if any, of this Policy and the Usage Policies.
- (f) Certain Definitions. For purposes of this Policy (and regardless whether appearing in bold italics): (i) the "Authorized Dealers" (individually, an "Authorized Dealer") means, collectively, each reseller designated as such by Shurhold Notice (unless and until such notice is provided by Shurhold, each reseller otherwise permitted by this Policy to be sold by Distributor will be considered an Authorized Dealer), but only to the extent that such reseller is not on the then-current Do-Not-Sell List; (ii) the "Distributor Policies" means, taken together, each then-current version of the announcements and policies (whether in the form of correspondence, memoranda, notices or otherwise) expressly labeled as a policy or policies (or the substantive equivalent as determined by Shurhold) and from time to time issued by Shurhold Notice from the Policy Administrator (or the designee(s) or successor(s) thereof) and intended by Shurhold for Distributor, including without limitation this Policy; (iii) "Do-Not-Sell List" means Shurhold Notice which indicates that (A) one or more individuals or entities is or are not authorized Dealer") in

or through all promotional or sales media or just that or those designated by Shurhold (such as, but not necessarily limited to the internet) or (B) the designation of an Authorized Dealer as such has been revoked with respect to all Shurhold Products ("Complete Revocation") for all such media or revoked only with respect to the Select Products ("Partial Revocation") for all such media or just that or those designated by Shurhold; (iv) "negligently" means or refers to a should-have-known (as determined by Shurhold) standard; (v) "Policy Administrator" means that designated as such in one or more of the Shurhold policies or by Shurhold Notice; (vi) the "Select Products" means those items of Shurhold Products specified on a Do-Not-Sell List consisting of fewer than all items of Shurhold Products; (vii) "Shurhold Intellectual Property" means any and all trademarks, trade names, service marks, copyrights, logotypes, images, artwork, designs, copy, data, data bases, marketing information, trade secrets, confidential information and anything else in which Shurhold or its designee(s) claim(s) rights, regardless whether steps have been taken to register such rights with any government authority; (viii) "Shurhold Notice" means notice from Shurhold to Distributor provided or made available electronically or otherwise; (ix) the "Special Accounts" means, collectively, each individual or entity so designated by Shurhold Notice; and (x) the "Usage Policies" means policies regarding (A) the use of Shurhold Intellectual Property and (B) uses, depictions or other references of or to any or all Shurhold Products (including without limitation those policies relating to format and content) made available by Shurhold through Shurhold Notice.

2. <u>Consequences of Violating this Policy</u>. One or more of the following will occur following verification by Shurhold to its satisfaction that Distributor has violated this Policy (if, in the view of Shurhold, the nature or severity of a violation is sufficient, the penalty for the Third Violation may be applied anytime):

Violation	Consequences
First Violation	Effective as of the date specified in notice from Shurhold to Distributor, the authorization of Distributor to purchase each stock-keeping unit ("SKU") in the product family involved in the first violation (as determined by Shurhold) will be immediately revoked by Shurhold, so that, for the next forty-five (45) days, all pending orders (even if accepted) from Distributor will be cancelled and no new orders will be accepted from Distributor for each such SKU.
Second Violation	Effective as of the date specified in notice from Shurhold to Distributor and continuing for the next ninety (90) days, either or both of the following will occur with respect to the product family in which each SKU involved in the second violation (as determined by Shurhold) resides: (a) all accrued, but unpaid, promotional payments, allowances, rebates and discounts for Distributor (collectively, "Accruals") are lost and no additional Accruals will be earned or paid for such period or (b) the authorization of Distributor to purchase each such SKU will be immediately revoked by Shurhold, so that all pending orders (even if accepted) from Distributor will be cancelled and no new orders will be accepted from Distributor for each such SKU. (If the forty-five (45) day period for the first violation of this Policy has not run and the second violation of this Policy involves the same product family as that of the first (as determined by Shurhold), the ninety (90) day period will begin after the forty-five (45) day period concludes.)
Third Violation	Effective as of the date specified in notice from Shurhold to Distributor and continuing until Shurhold provides notice to Distributor otherwise, if ever, the authorization of Distributor to purchase any or all Shurhold Products designated by Shurhold (the "Designated Products") will be immediately revoked by Shurhold, so that all pending orders (even if accepted) from Distributor will be cancelled and no new orders will be accepted from Distributor for any or all of the Designated Products.
Additional Violations after the Third	In the event that, after the third violation of this Policy by Distributor, either or both of the following is or are relevant: (a) the Designated Products do not include all Shurhold Products or (b) Shurhold provides notice to Distributor that Shurhold has re-authorized Distributor to purchase any or all of the Designated Products, then each act or failure to act of Distributor that constitutes a violation of this Policy (or is deemed by Shurhold to be such a violation) will receive the same treatment as if a new third violation had then occurred.

Each violation of this Policy is cumulative. Except as noted, the consequences of each violation can take effect regardless whether the consequences for the preceding violation(s) are still running. The same act(s) or failure(s) to act may result in multiple violations.

- 3. Other Terms and Conditions of this Policy. Effective as of the Policy Effective Date, this Policy supersedes and cancels each other policy applicable to Distributor for any or all Shurhold Products, if any, regarding the subject matter of this Policy. For any reason(s) deemed appropriate by Shurhold, but in no case other than as the unilateral decision of Shurhold, this Policy may be modified, extended, waived, suspended, discontinued or rescinded in whole or part by notice from Shurhold at any time, with such action(s) effective immediately or as otherwise described by Shurhold. Regardless whether expressly indicated in this Policy, each notice referred to herein (including without limitation Shurhold Notice): (a) may, as determined by Shurhold, be given in writing or electronically and (b) will be considered to be received as designated by Shurhold. In the event of any disagreement over the interpretation or enforcement of this Policy, the view of Shurhold will control. The consequences of violating this Policy are non-exclusive and do not limit or waive in any way the legal, equitable and other remedies available to Shurhold. Unless Shurhold designates otherwise, for purposes of compliance with the Distributor Policies, each business (regardless of the name(s) used and location(s)) directly or indirectly owned, operated or associated with Distributor (as determined by Shurhold) will be considered to part of Distributor, so that each violation by any such business will be aggregated with that or those of each other such business and attributed to Distributor.
- **4.** Questions, Additional Information or Information Regarding Potential Violations. All questions or requests for additional information regarding this Policy and all information regarding potential violations of this Policy must be in writing and are to be addressed to the Policy Administrator:

### Policy Administrator, Shurhold Industries, Inc., 3119 SW 42nd Avenue, Palm City, FL 34990 • email: policyadmin@shurhold.com

Only the Policy Administrator or the Policy Administrator's designated representative(s) is or are authorized by Shurhold to answer questions regarding this Policy, to comment on this Policy or to accept information regarding potential violations. Except for the Policy Administrator and such representative(s), no Shurhold employee or independent sales representative has authority to comment upon or to take any action under this Policy.

053118/22831541.1