



## WERNER PADDLES, INC. AUTHORIZED DEALER POLICY

This Werner Paddles, Inc. Authorized Dealer Policy (“Dealer Policy”) is issued by Werner Paddles, Inc. (“Werner Paddles”) and applies to Authorized Dealers of Werner Paddles’ products (“Products”) in the United States of America. By purchasing Products from Werner Paddles for retail sale, you (“Dealer,” “you,” or “your”) agree to adhere to the following terms. Please read this Dealer Policy carefully. Until such status is otherwise revoked by Werner Paddles, in Werner Paddles’ sole and absolute discretion, Dealer shall be considered an “Authorized Dealer” hereunder. This Dealer Policy is effective as of July 25th, 2018, and supplements any then-current dealer agreement between you and Werner Paddles, including the Dealer Agreement contained in the Dealer Application.

1. **Manner of Sale.** Dealer shall sell the Products only as set forth herein. Otherwise, the Products may not be eligible for certain services and benefits, including, wherever permitted by law, coverage under Werner Paddles’ Product warranties or guarantees.
  - (a) **Authorized Customers.** Dealer shall sell Products solely to End Users of the Products. An “End User” is any purchaser of the Product(s) who is the ultimate consumer of the Product and who does not intend to resell the Product to a third party. Dealer shall not sell to anyone a quantity of the Products greater than that generally purchased by an individual for personal use. Dealer shall not sell or transfer any of the Products to any person or entity for resale without the prior written consent of Werner Paddles. This includes sales to B2B accounts, wholesalers, freight forwarders/drop shippers for other Dealers, or any other person or entity Dealer knows or has reason to know intends to resell the Products.
  - (b) **Geographic Location of Sales.** Dealer shall not sell, ship or invoice Products to customers outside of the United States of America without the prior written consent of Werner Paddles.
  - (c) **Online Sales.**
    - (i) Dealer is permitted to market for sale or sell the Products on the Internet through Permissible Websites. A “Permissible Website” is a website that (1) is operated by Dealer in Dealer’s legal name; (2) conspicuously states Dealer’s full legal name, mailing address, telephone number, and email address; (3) does not give the appearance that it is operated by Werner Paddles or any third party; and (4) does not include in its domain name (including any top-level domain or subdomain) any Werner Paddles’ product name or any trademark owned by or licensed to Werner Paddles, nor a misspelling of any Werner Paddles’ product name or any trademark owned by or licensed to Werner Paddles. Werner Paddles reserves the right to terminate, at any time and in its sole discretion, its approval for Dealer to market and sell Products on the Permissible Websites, and Dealer must cease all such marketing and sales on the Permissible Websites immediately upon notice of such termination. Dealer shall not market or offer for sale the Products on or through any publicly accessible website other than a Permissible Website, including, without limitation, any third-party marketplace website such as Amazon, Walmart or eBay without the prior written consent of Werner Paddles.
    - (ii) With respect to sales of Products through the Permissible Websites, Dealer shall be responsible for all fulfillment to its customers, any applicable taxes associated with such individuals’ purchases of Products, and any returns of Products. Dealer agrees not to use any third-party fulfillment service to store inventory or fulfill orders for the Products unless separately authorized by Werner Paddles in writing. Further, Dealer agrees not to represent or advertise any product as “new” that has been returned or repackaged.
    - (iii) By selling Products through a Permissible Website, Dealer represents and warrants that the Permissible Websites are and will remain in compliance with all applicable privacy, accessibility, and data security laws, regulations, and industry standards, including, but not limited to, the World Wide Web Consortium Web Content Accessibility Guidelines 2.0 (at the AA level, or, in the absence of a AA level standard, at the A level) and the Payment Card Industry Data Security Standard (“PCI DSS”). Dealer further represents and warrants that it maintains detailed privacy policies and is, and will remain, in compliance with its privacy policies and the requirements of any contract to which Dealer is a party. Further, Dealer represents and warrants that it has implemented and maintains written information security guidelines, which will include physical, administrative and technological controls designed to prevent the unauthorized access to, disclosure, destruction, or loss of personally identifying information.

- (iv) In marketing the Products on the Permissible Websites, Dealer shall only use images of Products either supplied by or authorized by Werner Paddles and shall keep all Product descriptions up to date. Dealer's use of the Werner Paddles' IP (as hereinafter defined) on the Permissible Websites shall be in conformance with any guidelines that may be provided by Werner Paddles and must be commercially reasonable as to the size, placement, and other manners of use.
- (d) **Sales Practices and Inventory.** Dealer shall conduct its business in a professional, reasonable, and ethical manner at all times, whether engaged in the sale of Werner Paddles' Products or other products, and shall not engage in any deceptive, misleading, or unethical practices or advertising at any time, nor make any warranties or representations concerning the Products except as authorized by Werner Paddles. Dealer shall comply with any and all applicable laws, rules, regulations, and policies related to the advertising, sale, handling, and marketing of the Products. Further, Dealer shall carry an inventory of the Products adequate to meet the needs of, and to furnish prompt and efficient delivery of Products to, its customers. Any Products sold at a closeout sale shall be clearly marked as "closeout."
- (e) **Product Packaging and Display.** Dealer shall sell Products in their original packaging. Relabeling, repackaging, and other alterations are not permitted. Tampering with, defacing, or otherwise altering any serial number, model name, or other identifying information on the Products or their packaging is prohibited. Dealer may not remove, translate, or modify the contents of any label or literature on or accompanying the Products. Dealer shall not advertise, market, display, or demonstrate non-Werner Paddles' products together with the Products in a manner that would create the impression that the non-Werner Paddles' products are made by, endorsed by, or associated with Werner Paddles.
- (f) **Customer Service.** Dealer and Dealer's sales personnel shall be familiar with the special features of all Products marketed for sale and must obtain sufficient Product knowledge to advise End Users on the selection and safe use of the Products, as well as the applicable warranty and return policy. Dealer shall be available to respond to customer questions and concerns both before and after sale of the Products and should endeavor to respond to customer inquiries promptly. Dealer and Dealer's agents must represent the Products in a professional manner and refrain from any conduct that is or could be detrimental to the reputation of Werner Paddles. Dealer agrees to cooperate fully with Werner Paddles in any investigation or evaluation of such matters.
2. **Product Care and Quality Controls.** Dealer shall care for the Products as set forth herein.
- (a) **Product Storage and Handling.** Dealer shall adhere to any and all guidelines issued by Werner Paddles with respect to the storage, handling, and disposal of Products.
- (b) **Product Inspection.** Promptly upon receipt of the Products, Dealer shall inspect the Products for damage, defect, or other nonconformance (collectively, "Defects"). Dealer shall also inspect its inventory regularly for damaged, defective, or other nonconforming Products and shall remove those Products from its inventory. If any Defect is identified, Dealer shall not offer the Product for sale, and must promptly report the Defect and/or return the Product pursuant to Werner Paddles' return policy to Werner Paddles at [info@wernerpaddles.com](mailto:info@wernerpaddles.com).
- (c) **Recalls and Consumer Safety.** To ensure the safety and well-being of the End Users of the Products, Dealer shall cooperate with Werner Paddles with respect to any Product recall, Product updates, or other consumer safety information dissemination effort. Should Dealer learn of any incident that could reflect or indicate a safety concern associated with any Product or any quality issues with any Werner Paddles' product, regardless of the source, Dealer shall promptly report the incident or other information learned to Werner Paddles at [info@wernerpaddles.com](mailto:info@wernerpaddles.com).
3. **Intellectual Property.** Dealer acknowledges and agrees that Werner Paddles is the owner or licensee of all proprietary rights in and to the Werner Paddles' brand and its respective names, logos, trademarks (including Reg. No. 78248073), service marks, trade dress, copyrights, and other intellectual property related to the Products (the "Werner Paddles IP"). Dealer is granted a limited, non-exclusive, non-transferable, revocable license to use the Werner Paddles IP solely for purposes of marketing and selling the Products as set forth herein. This license will cease immediately upon termination of Dealer's status as an Authorized Dealer. Werner Paddles reserves the right to review and approve, in its sole discretion, Dealer's use or intended use of the Werner Paddles IP at any time, without limitation. All goodwill arising from Dealer's use of the Werner Paddles IP shall inure solely to the benefit of Werner Paddles.

4. **Termination.** In addition to all other available remedies, if Dealer violates this Dealer Policy, Werner Paddles reserves the right, in its sole and absolute discretion, to terminate Dealer's status as an Authorized Dealer through written or electronic notice to Dealer of such termination. Upon termination of Dealer's status as an Authorized Dealer, Dealer shall immediately cease (i) selling the Products; (ii) acting in any manner that may reasonably give the impression that Dealer is an Authorized Dealer of Werner Paddles' Products or has any affiliation whatsoever with Werner Paddles; and (iii) using all Werner Paddles IP. At Werner's option following termination, Dealer shall sell its existing inventory of the Products back to Werner at the prices at which they were purchased by Dealer and subject to a 15% restocking fee.
5. **Audit.** Werner Paddles reserves the right to audit and/or monitor Dealer's activities for compliance with this Dealer Policy, including, but not limited to, inspection of Dealer's facilities and records concerning the Products. Dealer agrees to cooperate fully with Werner Paddles in any audit or monitoring in connection with this Dealer Policy.
6. **Miscellaneous.** Werner Paddles reserves the right to update, amend, or modify this Dealer Policy upon written or electronic notice to Dealer. Unless otherwise provided, such amendments will take effect immediately and Dealer's continued use, advertising, offering for sale, or sale of the Products, use of the Werner Paddles IP, or use of any other information or materials provided by Werner Paddles to Dealer under this Dealer Policy following notice of the amendments will be deemed Dealer's acceptance of the amendments. If any provision of this Dealer Policy is held contrary to law, the remaining provisions shall remain valid. This Dealer Policy and any dispute arising under it shall be governed by, construed, and enforced in accordance with the laws of the State of Washington, without regard to its choice of law rules. In the event of a dispute over the terms or performance under this Dealer Policy, Dealer expressly submits to personal jurisdiction and venue in the federal or state courts for Snohomish County, Washington.
7. **MAP Policy.** Werner Paddles has a unilateral United States Minimum Advertised Price Policy ("MAP Policy") that applies to all authorized sellers of Werner Paddles Products located in the United States of America with respect to the advertising of Werner Paddles Products to End Users. This Section is intended to inform you of the MAP Policy. It does not constitute consideration for any agreement between you and Werner Paddles, and does not separately constitute an agreement between you and Werner Paddles regarding the price you will charge your customers for the Products. Werner Paddles does not seek, nor will it accept, from Dealer any assurance of compliance with the MAP Policy.