



Higher Ground is responsible for protecting its trademarks from practices that may harm, diminish, dilute or cause confusion. Higher Ground is implementing this Internet Reseller Policy to protect Higher Ground's premium brand positioning in the marketplace to ensure that all of our resellers remain competitive in the marketplace and generate sufficient margins to support our brand, to maximize new product introduction success and to foster overall competitiveness throughout the various sales channels.

## **INTERNET RESELLER POLICY**

1. Higher Ground may not be sold on any third-party website or marketplace without the prior written approval of Higher Ground. For purposes of this policy, the following definitions apply:
  - a. A "third-party internet website or marketplace" is any website that is not owned and controlled by Higher Ground or an authorized Higher Ground distributor or dealer, and which provides a virtual "storefront", auction process or any other sales opportunity (e.g. consignment) under the name or brand of a third party or co-branded with a third party (including by way of example Amazon.com, eBay, Jet.com, Walmart.com, newegg, Rakuten).
  - b. A "sale" occurs if a customer accepts an offer to sell, or a seller accepts an offer to buy, a Higher Ground product on a third-party Internet website or marketplace. An "offer to sell" does not require acceptance of the offer.
2. Any authorized Higher Ground dealer or distributor who has received prior written approval from Higher Ground may only continue to sell Higher Ground on any third-party website or marketplace as long as they are in full compliance with Higher Ground's Minimum Advertised Price ("MAP") Policy.
3. Authorized Higher Ground dealers and distributors and any related entities and/or affiliates may sell Higher Ground on their own websites subject to Higher Ground's then-existing policies on internet sales, including but not limited to the following:
  - a. The dealer/distributor must adhere to Higher Ground's Minimum Advertised Price ("MAP") Policy as amended from time-to-time. NOTE, HOWEVER, THAT THE RETAIL PRICES ACTUALLY CHARGED ARE AT THE SOLE DISCRETION OF THE DEALER/DISTRIBUTOR.
  - b. Any website on which a dealer/distributor sells Higher Ground shall clearly display accurate Higher Ground branding and product information as set forth in

Internet Reseller Domain Name and Website Policy as modified from time-to-time by Higher Ground in its sole discretion, as well as any additional information that Higher Ground shall determine, in its sole discretion, may be necessary and appropriate to ensure proper use of the Higher Ground marks.

- c. Sales to customers with “ship to” addresses located outside of the U.S. are prohibited. However, the sale and shipment of Higher Ground to a military customer temporarily stationed overseas for the customer’s personal use, using an APO or FPO address, is not prohibited. Shipments to freight forwarders and to addresses the dealer/distributor knows, or should know, is not the retail purchaser’s actual address will be in violation of this policy.
4. Except as expressly approved by this policy or by Higher Ground in writing, sales to any internet reseller that sells, or intends to sell, Higher Ground on any third-party website or marketplace are strictly prohibited. To assist dealers/distributors in complying with this requirement, Higher Ground may from time-to-time issue a list of known resellers to whom sales are prohibited. Note, however, that consulting any such list does not end or limit a dealer’s/distributor’s obligations in identifying prohibited resellers prior to the sale. Resellers aware of Higher Ground’s policy will likely be creative in their attempts to get the products they want, so review of a prohibited resellers list is only one step that should be taken to ensure compliance with this Policy. Any such list is intended by Higher Ground to be used by dealers as a reference tool only and does not prevent the dealer from being found in violation of the Policy.
5. To ensure compliance with this policy, Higher Ground reserves the right to audit all electronic and paper distributor and dealer records as appropriate. Distributors or dealers that are audited will be responsible for providing Higher Ground with satisfactory evidence substantiating compliance with this Policy, including but not limited to the invoice, customer contact information, dealer shipping documents and such other documentation as is necessary to show that the requirements in this policy have been met. If a cooperating distributor or dealer is unable to provide the documentation requested, the sale may be deemed a third-party Internet sale in violation of this policy. Refusal to cooperate with an audit under this paragraph may result in termination of the dealer’s/distributor’s ability to purchase Higher Ground.
6. If in violation of this Internet Reseller Policy, a Higher Ground dealer or distributor sells on an internet marketplace or sells to someone who then sells on an internet marketplace the following enforcement will apply:
  - a. **1st violation:** Upon learning of the violation, Higher Ground will notify the violator, who shall be required to immediately cease sales activities which are a violation of this Policy. After the offending activity has ceased, Higher Ground will suspend shipments in the product category of the violation for 30 days.

- b. **2nd violation:** Upon learning of a 2nd violation by the violator involving the same product category, Higher Ground may, in its sole discretion, impose penalties including, but not limited to, termination or suspending shipments and refusing to accept further orders for said product category for a period of 90 days after the violation has been corrected to Higher Ground's satisfaction.
  - c. **3rd violation:** Upon learning of a 3rd violation by the violator involving the same product category, Higher Ground may, in its sole discretion, impose penalties including, but not limited to, termination or suspending shipments and refusing to accept further orders for said product category for a period of 180 days after the violation has been corrected to Higher Ground's satisfaction.
- 7. Higher Ground reserves the right to amend this policy from time to time upon written notice. In addition, in extraordinary circumstances, Higher Ground may make exceptions to one or more of the requirements set forth in this policy. Any such exception will not be construed as a waiver of such requirements for future sales or for any other or all dealers generally.