

TRADING ACCOUNT APPLICATION INCORPORATING ACKNOWLEDGEMENT OF TRADING TERMS

This form is an application for a Trading Account with Team Sports Australasia Pty Ltd ("Team Sports") to apply in conjunction with the Trading Terms that accompany this application.
If Team Sports accepts this application you will be notified accordingly. Thereafter, orders received and goods supplied will be subject to these Trading Terms.

PLEASE READ THIS DOCUMENT CAREFULLY, COMPLETE FORM AND SIGN TRADING TERMS

ACCOUNT DETAILS

Company Name: _____ Australian Business Number: _____

Trading/Store Name: _____

Delivery Address: _____

_____ State: _____ Postcode: _____

Telephone Number: _____ Facsimile Number: _____

Email Address: _____ Mobile Number: _____

Web address of your business (if applicable) _____

Mailing/Billing Address: (if different to store location above): _____

_____ State: _____ Postcode: _____

New Account Additional Retail Outlet Other e.g. Trading Terms Renewal

Change of Ownership

Opening/Changeover Date: _____

METHOD OF BILLING (Invoice Credit/Debit Note)

Email _____ Fax _____

ORDER ACKNOWLEDGEMENT

EMAIL order acknowledgement FAX order acknowledgement

GENERAL INFORMATION

Tick as applicable

STORE

Physical

Virtual / Online

Both

STORE TYPE

Multi Brand General Sports

Multi Brand Category Specific

STORE CRITERIA

Tick as applicable

CATEGORY / SPECIALISATION

Specialisation Definitions:

General Sports = Broad range of general sporting product targeted at a multi sport consumer.

Enthusiast = A select number of product categories targeted at a more serious sports consumer.

Specialist = A single targeted product category focus targeted at consumers in that sport up to the highest level.

STAFF AND SERVICE

Staff Product Knowledge

General Level

Enthusiast Level

Specialist Level

Service Level

Low Level

(Fit Size)

Medium Level

(Recommend style / brand)

High Level

(Prescriptive / Direct)

CONSUMER

General Sports

Sports Enthusiast

Category Specialty

GENERAL BUSINESS INFORMATION

Information required in the form of a written business plan.

BUSINESS DETAIL

Financial Statements

Projected Cash Flow

Projected Profit and Loss Statement

Balance Sheet

Statement of net Assets

Previous Business History

Copy of Business Registration

SPECIFIC BUSINESS INFORMATION

If applying for both a physical and a virtual / online account then separate business plans for the following information are required.

STORE DETAIL

Layout of store – photos required of physical store
- online demonstration for virtual store

FINANCIAL PROJECTIONS

Projected size of total business split down to category and business unit

Projected size of Team Sports (Nike) business split down to category and business unit

MARKET INFORMATION

Retailer SWOT (strengths, weaknesses, opportunities and threats) analysis

Consumer Profile and or Target Consumer

PRIVACY ACT 1993 ("THE ACT")

NOTICE OF DISCLOSURE – ACKNOWLEDGEMENT & CONSENT

Information requested in this account application is required to be supplied before Team Sports will agree to assess your account application. I acknowledge and consent to Team Sports using my personal and/or corporate information ("Information") in the Trading Account Application for the primary purpose of assessing my application for credit. I acknowledge that if this personal information about me is not provided to Team Sports it may result in Team Sports being unable to process or accept this application, or to operate or administer the credit facility (if any) that is established.

I agree that Team Sports may use or disclose the information for the following additional purposes: checking my credit worthiness, administering the application and my account, performing administrative tasks, managing business operations, providing future products and telling me about products or services of Team Sports or other organizations.

I understand and agree to Team Sports disclosing the information to its credit agencies, credit reporting agencies, other financial institutions and credit providers, other companies that Team Sports deals with, and my nominated referees subject to the restrictions imposed on Team Sports by the Privacy Act 1988.

Subject to the Privacy Act 1988, I agree to Team Sports obtaining or giving information about my personal and/or corporate activities and person and/or corporate credit worthiness from or to a credit reporting agency or other credit providers and for Team Sports to use the information in assessing this application and whether to provide ongoing credit.

I acknowledge that I may have access to my personal information collected and held by Team Sports,. I acknowledge I may contact Team Sports for access to my personal information held by contacting Team Sports by mail to 5 Expo Court MOUNT WAVERLEY VIC 3149 AUSTRALIA

SIGNED: _____

SIGNED: _____

DATED: _____

DATED: _____

ACCOUNT APPLICATION

Company Name (if applicable) _____

Registered Office Address _____ Town _____

State _____ Postcode _____ Phone No. _____

Type of Organisation: ▪ Sole Trader ▪ Partnership ▪ Company ▪ Trust

Enclose certificate of incorporation and/or business name registration certificate.

Name of: ▪ Partner (s) ▪ Proprietor ▪ Director (s)

Names (in full) **Residential Address** **Postcode**

D.O.B. **Australian Drivers License Number** **State** **Expiry Date**

1) _____

2) _____

3) _____

4) _____

Bankers _____ Branch _____ State _____ Phone No _____

Credit References **Address** **Phone No**

1) _____

2) _____

3) _____

APPLICANTS SIGNATURE (S) – We hereby agree to comply with the Trading Terms of Team Sports as set out on the back that accompany this application.

1) _____ (2) _____

DIRECTORS' GUARANTEE AND INDEMNITY

(This section must be completed and signed where the applicant is a Company. At least one director to sign.)

IN CONSIDERATION of Team Sports agreeing to supply (company name) _____ (“the company”) with products and credit:

I: (name) _____ (name) _____

(address) _____ (address) _____

HEREBY AGREE AS FOLLOWS:

1. To irrevocably guarantee the punctual payment of all amounts that are owing by the Company to Team Sports that may from time to time be owing by the Company to Team Sports including any legal or other costs and expenses incurred by Team Sports in seeking payment or enforcing this guarantee and indemnity (“the Debt”).
2. As a separate and principal obligation, to indemnify Team Sports and keep it indemnified against all losses and costs that it may incur in relation to the Debt including any amount remaining unpaid of the Debt itself.
3. That if the Company has failed to pay all or any part of the Debt, I will pay the Debt to Team Sports within 7 days of Team Sports making a written demand, with such demand being deemed to have been made 2 business days after it is sent by pre-paid post.
4. That it shall not be necessary for Team Sports to first take steps against the Company to enforce payment of the Debt before invoking or relying upon this guarantee and indemnity (“the Guarantee”).
5. That my obligations under the Guarantee shall not be waived, discharged or otherwise affected by any:
 - (a) variation in the trading terms existing between Team Sports and the Company;
 - (b) extension in time or other indulgence given to the Company or another guarantor;
 - (c) alteration in the amount of the Debt or the level of credit extended to the Company;
 - (d) change in name, shareholding, constitution or structure of the Company;
 - (e) settlement, composition, variation or release (or any agreement to do so) by Team Sports of the Company's obligations in relation to the Debt, or of another guarantor's obligations under the Guarantee, whether with or without my knowledge or consent; or
 - (f) of the obligations of the Company, or of any other guarantor to the Guarantee, being or becoming wholly or partially illegal, void or otherwise unenforceable, whether by statute (including a statute of limitations) or any other reason, or being disclaimed by an external administrator or trustee for creditors or in bankruptcy.
6. That the Guarantee shall be a continuing obligation in respect of the Debt, binding my successors and assigns, and shall remain in force until both the obligations hereunder and the obligations of the Company have been fully performed.
7. The Team Sports may at its sole discretion assign its rights under the Guarantee.
8. That if the Guarantee is executed by two Directors of the Company then all obligations shall be assumed on a joint and several basis and:
 - (a) Team Sports may at any time choose, at its absolute discretion, to proceed against any or all named guarantors in respect of their obligations under the Guarantee and is not obliged to make a claim against all of the guarantors; and
 - (b) Any failure by Team Sports to recover any amounts owing under the Guarantee from the Company or another guarantor does not affect or discharge the obligations of any of the guarantors under the Guarantee.
9. That should Team Sports form the opinion in good faith that any amount it has applied against any of the Company's obligations, or any guarantor's obligations, is now required to be paid by Team Sports to any person, for instance, as a preferential payment, under any law relating to bankruptcy, winding up or the protection of creditors, then Team Sports' rights against the guarantor are reinstated and will be the same as if Team Sports had never received the amount so applied.
10. That I am legally bound by the Guarantee even if any other person who intended or was intended to be bound as a surety of the Company's obligations is not bound or ceases to be bound.
11. That the guarantee shall be deemed to have been made in the State of Victoria and is governed by the laws of Victoria and that I shall submit to the exclusive jurisdiction of the courts of that State.

12. A reference to "guarantor" in this document is a reference to the person or persons who have signed the Guarantee and words importing the singular or plural number shall extend to and include the plural and singular number respectively.

SIGNED: _____

SIGNED: _____

DATED: _____

DATED: _____

TRADING TERMS TEAM SPORTS AUSTRALASIA PTY LTD

The following Trading Terms and Conditions shall govern the sale and delivery of products from Team Sports Australasia Pty Ltd ("Team Sports").

1. TEAM SPORTS APPROVAL REQUIRED AND ACCOUNT OPERATION

- (a) Team Sports will only offer products and/or credit terms once a completed official Team Sports "Application for Trading Account Incorporating Acknowledgement of Trading Terms" has been completed and subsequently approved by Team Sports. The provision of such approval does not bind Team Sports to accept any orders from the Customer.
- (b) Approval is based on the nominated retail outlet. The Customer shall ensure that the nominated retail outlet is at all times adequate for proper merchandising and selling of Team Sports products. Any subsequent store locations must also be approved by Team Sports before Team Sports product can be distributed from another outlet.
- (c) Team Sports shall require the Customer to utilize (in accordance with any terms of use) an (excel) spreadsheet or any electronic format approved by Team Sports such as a web address for the placement of orders, account or product inquiries and the carrying out of other account functions designed by Team Sports for the benefit of the Customer.

2. CREDIT SUPPLY TERMS

- (a) Invoices dated between the 1st and the end of the month for products supplied on credit will be charged as current month product and are due for payment on the 25th day of the month following the invoice date.
- (b) Payment of invoices billed on a current month statement is due in the Team Sports Office no later than the 25th day of the month following the current statement month. Customers must identify invoices being paid at the time of making payment.
- (c) Any discounts that apply will be disallowed if payment is not received on or before the date required in accordance with these terms.
- (d) Team Sports reserves its right to offer and negotiate discounts with selected customers at its sole discretion.
- (e) The granting of credit terms for new or existing accounts is entirely at Team Sports' discretion and Team Sports may withdraw or vary credit terms at any time.

3. PAYMENT BEFORE DELIVERY SALES

- (a) In the case of Payment Before Delivery Sales, full payment in the form of cleared funds must be received and verified by Team Sports prior to delivery of products being made.
- (b) Team Sports at all times and at its sole and absolute discretion reserves its right to supply products on a Payment Before Delivery basis and not offer credit irrespective of whether credit has been previously provided.

4. SUSPENSION AND CANCELLATION OF A TRADING ACCOUNT

- (a) An account will be subject to suspension of supply if not paid by the 25th day of the month following the current statement month (refer clause 2(b)).
- (b) Where any person has a financial interest in two or more Team Sports Accounts ("inter-related accounts") and any one of the inter-related accounts fails to observe these trading terms then all inter-related accounts shall be subject to suspension of supply and account cancellation procedures and invoices rendered to all inter-related accounts become immediately due & payable.
- (c) Where any part of the trading account has not been paid within the time specified for payment in this Agreement and has fallen into arrears then the totality of the account whether or not in arrears shall become immediately due and payable.

- (d) The following will apply to accounts subject to suspension of supply:
- i. Cancellation of balance of current month orderhold within 5 working days following account suspension;
 - ii. Orders (Futures Sell-In or At Once) cannot be processed;
 - iii. Credit facilities will be subject to consideration of immediate and permanent closure; and
 - iv. Legal action to recoup debt. Legal action will automatically invoke permanent closure of the account.
- (e) Without prejudice to Team Sports' rights above, an account may be subject to immediate and permanent closure if;
- i. Payment is not received by Team Sports by the relevant due date stated in these terms;
 - a) or
 - ii. any Team Sports trading term or other guidelines or policies issued from time to time are not observed.
- (f) An account together with any inter-related account will be immediately and permanently closed if in Team Sports' sole opinion the Customer;
- i. Sells or offers to sell or purchases counterfeit Team Sports products;
 - ii. Engages in deceptive or illegal conduct that has an adverse effect on Team Sports; or
 - iii. On-sells or supplies Team Sports products to or purchases Team Sports products from non-approved outlets (refer clause 5(b)(ii)).
- (g) Should an account be closed, Team Sports may immediately reclaim any advertising or point-of-sale material incorporating Nike Trade Marks or other Nike intellectual property that has previously been supplied and the Customer irrevocably grants permission for Team Sports' servants and agents to enter upon its premises to reclaim such material.

5. SOURCING AND DISTRIBUTION OF PRODUCTS

- (a) The customer must not source Team Sports products other than from Team Sports Australasia.
- (b) Orders are accepted only on the basis that;
- i. Team Sports products are only resold to consumers from the store location approved by Team Sports and are not to be resold at a wholesale level to any other person or entity without prior approval;
 - ii. Accounts that sell or offer to sell Team Sports products to or purchase Team Sports products from non-approved outlets will be subject to immediate and permanent closure of account facilities;
 - iii. Sale or advertising of Team Sports products by mail order or Internet is prohibited unless prior written consent is provided by Team Sports.
 - iv. Single sport specialist stores will only be supplied with Team Sports products relating to that specialty.
 - v. Team Sports products cannot be sold from Outposts (i.e. a location outside of the physical boundaries of the approved store location) unless a written submission is first provided and approved by Team Sports; and
 - vi. The Customer hereby acknowledges that Nike's trademarks and the goodwill attached to them are the exclusive property of Nike and its affiliated organizations and no right, title or interest therein is transferred by this agreement to the Customer and any use of such trademarks on store signage or otherwise by the Customer is subject to Team Sports' prior written approval.

6. ACCEPTANCE OF ORDERS

- (a) All orders are subject to acceptance by Team Sports. Any orders accepted by Team Sports will be pursuant to these trading terms only. These trading terms are paramount and the Customer acknowledges that they take precedence over any terms stated on Customer orders.
- (b) Orders for delivery in a nominated month may be dispatched at any time during that month and for products supplied on credit this will affect the due date for payment (refer clause 2(a)).
- (c) Where Team Sports is unable to fulfill any part of orders then products may be delivered based on availability and orders shall remain in Nike's order management system until cancelled or adjusted.
- (d) Futures sell-in orders cannot be cancelled or deferred for the first month of delivery.
- (e) All special make up product orders (i.e. products made specifically for the Customer) cannot be cancelled, adjusted or transferred at any time.
- (f) Where the customer changes membership from an existing retail group Team Sports shall have the discretion to change the Customer's orderhold entitlement and vary or remove any discount entitlements or credit facilities.
- (g) Order delivery may only be deferred by the Customer for one (1) month which is then non cancellable.

7. PRICES

- (a) Prices are subject to change without notice and goods will be invoiced at the applicable price at the date of acceptance of orders.
- (b) Any reference to retail prices are recommendations only and there is no obligation to comply with the recommended price.
- (c) Team Sports reserves the right to proportionally adjust the pricing of all orders if the exchange rate (A\$-US\$) at the date of invoice has moved more than one half of one percent from the rate prevailing at the date the order was received.
- (d) Team Sports shall have the right to reject orders where the product has been listed at an incorrect price and the Customer does not accept a clerical amendment.

8. FREIGHT

- (a) No freight charges shall apply for deliveries to all State and Territory capital cities except Darwin. Deliveries to regional areas will be freight free, where the value of the shipment exceeds AU\$500.
- (b) Deliveries outside those covered by clause (a) above, will be, at Team Sport's discretion, subject to a freight charge which will be quoted before commitment is made.
- (c) Freight charges may change without prior notice to the Customer.
- (d) Freight charges will not apply to deliveries for authorized return of faulty product made via Team Sports' nominated carrier.
- (e) Risk in products passes on delivery to the Customer.

9. RETURN OF PRODUCT

- (a) Product returns fall under two banners; faulty returns, and non-faulty (change of mind) returns
 - i. Faulty returns are accepted for a period of two years for balls, and three months for all other items from sale date
 - ii. Non-faulty returns are accepted for a period of three months from sales date, with the exception of Clearance items. No change-of-mind claims for Clearance items will be accepted
- (b) A Return Authority Number (RAN) must be obtained before returning any product.
- (c) A Team Sports invoice number must be supplied for any product return, and failure to supply may result in Team Sports (in its discretion) rejecting returns.
- (d) A RAN can be obtained by contacting the Team Sports on +613-9548-9099 or via email to sales@teamsportsaustralasia.com. A blank RAN form will be forwarded to you, for completion & return. Once received, Team Sports will issue you with a RAN reference.
 - i. Return of Faulty product will be coordinated by Team Sports, at their expense
 - ii. Return of Non-faulty product should be coordinated by the Specialist themselves, at the specialist's expense
 - i. All price stickers, security devices or other non-Team Sports labeling must be removed by the returnee otherwise returns will not be accepted.
- (e) Unauthorised or unacceptable (refer to clauses 9 (d.ii.i)) returns may be returned to the Customer at the Customer's expense.

10. CLAIMS (NO RETURN OF PRODUCT)

- (a) In respect of the following claims;
 - i. Short Delivery, being where product is short delivered within the carton/s to the invoiced quality;
 - ii. Non Delivery, being when a full or partial consignment has not been delivered to the invoiced quantity; and
 - iii. Incorrect Pricing, relating to either price, freight or surcharge,

The Customer must advise Team Sports of any such claims within 14 days of the invoice date in order for these claims to be considered.

- (b) All claims must be fully documented quoting the respective Team Sports invoice number, order number & carton number. These details must be forwarded to the Team Sports office and a failure to quote may result in Team Sports (in its discretion) not assessing claims.
- (c) All claims will be subject to investigation before a decision is made. Any rejections by Team Sports will be communicated to the Customer.

11. RESERVATION OF TITLE

- a) The ownership of all product delivered by Team Sports to the Customer remains vested in Team Sports and shall not pass from Team Sports to the Customer until the Customer has paid to Team Sports the price of all products invoiced in relation to this account and in relation to any other Team Sports account held by the Customer or any inter-related account of the Customer.
- b) Until ownership has passed in accordance with clause 11 (a) above, the Customer shall be a bailee of products and shall owe fiduciary obligations to Team Sports in respect of all of the products referred to in clause 11(a) above.
- c) Team Sports shall be entitled to immediately recover possession of all or any of its products sold to the Customer (and the Customer grants its irrevocable permission for Team Sports to enter upon its premises to conduct a stocktake and recover all or any Team Sports products forming part of the Customer's inventory and proof of supply of individual Team Sports products shall not be required) where:
 - i. the Customer has not paid Team Sports by the due date for products sold in relation to this account and in relation to any other Team Sports account held by the Customer or any inter-related account of the Customer; or
 - ii. the Customer is subject to any form of external administration or control in which case sales by the Customer shall not be deemed to be in the ordinary course of business and no sales of Team Sports' products will be allowed without Team Sports' express permission.
- d) Notwithstanding clauses 11(a) and (b) above and subject to clause 11(c), the Customer may sell and deliver the goods in the ordinary course of business provided that where the Customer is paid by third parties for all or part of the product supplied and Team Sports has not been paid by the Customer for the product pursuant to this agreement (or any other terms of payment in force) the customer holds that part of the proceeds of sale equal to the amount invoiced by Team Sports on trust for Team Sports at the time of receipt of such proceeds.

12. VARIATION OF TERMS AND CLERICAL ERRORS

Team Sports shall have the right upon 30 days notice to the Customer to vary all or any of its trading terms and variations shall then apply to all subsequent orders placed by the retailer. Clerical errors are subject to correction without notification.

13. LIMITATION OF LIABILITY

No liability whatsoever (except as provided by law) will be accepted by Team Sports for any direct or indirect loss or damage (including loss of forecasted or actual revenue or profits, loss of livelihood or goodwill or unanticipated incurring of debt) relating to delivery of products, account suspension or closure or any other act or omission on the part of Team Sports or of any servant, agent or contractor of Team Sports in relation to this agreement unless the same occurs because of the willful act or default or negligence of Team Sports, its servants, agents or contractors in which case liability is limited to at Team Sports' discretion the replacement of products or the payment of the cost of having the products resupplied.

14. WAIVER

The failure of Team Sports at any time to require performance by the Customer of any provision of this agreement shall not be deemed to be a waiver of any of Team Sports' rights unless it is agreed to by Team Sports in writing and shall not affect in any way the full rights of Team Sports to require such performance at any time thereafter.

15. SEVERANCE

If any provision of this Agreement is found by a court of competent jurisdiction to be invalid or unenforceable in whole or in part, the validity of the other provisions of this agreement shall not be affected and shall continue to be valid and enforceable to the fullest extent permitted by law or equity.

16. NOTICES

Any notice or other communication under this Agreement shall be given in writing and shall be served by personal delivery, by prepaid post, by facsimile or by email, addressed to the party to whom such notice or communication is directed at such party's place of business or facsimile or email contact details as notified by that party. Subject to confirmation of earlier receipt, pre-paid post and emails shall be deemed to have been received, after the expiry of two business days following posting and sending respectively.

17. ASSIGNMENT

This agreement is personal to the Customer and the Customer shall not assign or transfer any of its rights or sub-contract any of its obligations under this agreement.

18. CHANGE OF OWNERSHIP

- (a) The Customer shall notify Team Sports in writing prior to any material change in Customer's legal organization, ownership or group affiliations.
- (b) Failure to comply with clause 18(a) above may result in suspension of supply being invoked (refer clause 4(d)) and Team Sports will not supply any new owner without submission and approval of a new account application.
- (c) The Customer shall remain liable for Team Sports product sold and delivered notwithstanding that there has been an event referred to in clause 18(a) above.

19. FORCE MAJEURE

Any delay in the performance of Team Sports' obligations caused by an event or circumstances outside of its reasonable control shall not be attributable to Team Sports nor constitute a breach of agreement and Team Sports shall have the right to extend the estimated delivery time by a period sufficient to take account of the relevant event or circumstance, subject to Team Sports and/or the Customer cancelling orders where the extension continues for an uninterrupted period of 3 months.

20. ENTIRE AGREEMENT

These terms shall constitute the entire Agreement between Team Sports and the Customer in relation to the sale and delivery of product and any previous agreements, understandings, negotiations and all express or implied warranties to the extent permitted by law shall cease to have any legal status or effect.

21. LAW & JURISDICTION

This agreement shall be deemed to have been made in the state of Victoria and shall be governed by the laws of that State and the parties further submit to the exclusive jurisdiction of the courts of that State.

SIGNATURE (OF APPLICANT)_____

DATED _____

SIGNATURE (OF APPLICANT)_____

DATED _____