

**COOLA, LLC ONLINE SALES POLICY****Effective Date: May 5, 2020**

This COOLA, LLC Online Sales Policy ("Online Sales Policy") sets forth the terms and conditions under which COOLA, LLC ("COOLA") authorizes an Authorized Dealer to sell Products online. By purchasing Products from COOLA for online sale, you agree to adhere to the following terms. Until such status is revoked by COOLA, in COOLA's sole discretion, an Authorized Dealer shall be considered an "Online Dealer" hereunder. Unless otherwise defined herein, capitalized terms shall have the same meanings ascribed to them in the COOLA Authorized Dealer Policy.

1. Authorized Online Sales: Subject to the terms and conditions of this Online Sales Policy, COOLA authorizes Online Dealer to market, advertise, offer to sell, and to fulfill orders for Products on the Internet through Permissible Public Websites. A "Permissible Public Website" is a website or mobile application that:
  - a. is disclosed to COOLA by completing the website registration form;
  - b. is operated by Online Dealer in Online Dealer's legal name or registered doing business as ("DBA") name as disclosed in the website registration form;
  - c. States Online Dealer's legal name or registered DBA name, mailing address, telephone number and email address;
  - d. does not give the appearance that it is operated by COOLA or any third party; and
  - e. is operated in compliance with the terms and conditions set forth in this Online Sales Policy, as COOLA may amend from time to time.

**Online Dealer shall not advertise or sell the Products on or through any website, online marketplace (including, without limitation, Amazon, eBay, Jet, Rakuten, Walmart Marketplace, or Sears Marketplace), mobile application, or other online forum other than a Permissible Public Website without the prior written consent of COOLA.**

2. Territorial Limitation: Online Dealers located may not sell or ship products outside of the United States and its territories without COOLA's prior written consent. This territorial limitation must be clearly specified on each Permissible Public Website.

3. Product and Brand Representation: Subject to the additional terms and conditions of this Online Sales Policy, COOLA authorizes Online Dealer to use COOLA IP on Permissible Public Websites. All final copies of such use must be approved by COOLA before use on a Permissible Public Website.

3.1 The COOLA brand name and Product names must adhere to COOLA's Brand Guidelines for [COOLA](#) and [Bare Republic](#) on any Permissible Public Website. If the Online Dealer misuses the brand name, the Online Dealer shall promptly correct any errors, and COOLA reserves the right to prohibit Online Dealer from selling the Products online. COOLA is under no obligation to provide notice to Online Dealer of amendments to the COOLA Brand Guidelines. The Online Dealer must periodically, but not less than every 6 months, check the website for any amendments.

3.2 Online Dealer shall comply with the COOLA Online Merchandising Standards, attached hereto as Exhibit A and as COOLA may amend from time to time. COOLA is under no obligation to provide notice to Online Dealer of amendments to the COOLA Online Merchandising Standards. The Online Dealer must periodically, but not less than every 6 months, check the website for any amendments.

4. Online Dealer Affiliates and Comparison Shopping Engines: Online Dealers are permitted to have 3rd-party affiliates ("Affiliates") and comparison shopping engines ("CSEs") advertise, promote and direct visitors to the Online Dealer's Permissible Public Website on the condition that such Affiliates and CSEs comply with this Online Sales Policy. The Online Dealer must additionally ensure that its Affiliates and CSEs (collectively "Online Dealer Affiliates") comply with the requirements in this Section 4 and Subsection 4.1 through 4.5. A breach of this Online Sales Policy by any Online Dealer Affiliate will be considered a breach of the Online Sales Policy by Online Dealer.

4.1 An Online Dealer Affiliate must not state or imply that it has a direct relationship with COOLA. Online Dealers must not be affiliated with any entity or individual that (a) uses COOLA IP in its URL, (b) uses COOLA IP, or (c) otherwise represents that its site is directly associated with COOLA. Online Dealers must not be affiliated with any entity or individual that infringes any of the foregoing, including but not limited to any site that copies or resembles the look and feel of [COOLA.com](http://COOLA.com) and [gobareoutside.com](http://gobareoutside.com)

4.2 Online Dealer Affiliates must not bid on, purchase or use the search terms "COOLA", "[COOLA.com](http://COOLA.com)", "Bare Republic", "Bare", "gobareoutside.com" or other COOLA IP or Bare Republic IP or variant thereof on Permissible Public Websites, search engines, search portals, or any other like websites.

4.3 All Online Dealer Affiliates must update product price and inventory data at least daily.

4.4 Only Permissible Public Websites may transact the sale of Products; the End User must be directed to a Permissible Public Website for the sales transaction.

4.5 It is the Online Dealer's sole responsibility to audit its Online Dealer Affiliates. No retailer who is not an authorized Online Dealer may be a part of an Online Dealer's CSE network.

5. Online Advertising: Online Dealers and Online Dealer Affiliates may promote the products through online advertising, including pay-per-click search advertising, display advertising, e-mail, social media advertising and marketing, and mobile advertising, subject to the limitations in Section 4.

5.1 Advertising Message: While an Online Dealer is free to advertise and sell Products at prices the Online Dealer may freely choose, the following words and phrases may not be associated with the COOLA brand and Products in any online advertising or Permissible Public Websites: "cheap", "discount(-ed)", "discounter", "savings", "save", "markdown", "clearance", "for less", "best price", "\$XXX off", "coupon", "coupon code", "lowest price", "lower price", "unbeatable price", "bargain", "under \$XXX", "below \$XXX", "budget price", "steal", "reduction", "reduce(-d)", "price slash", "slashed", "price-cut", "decreased price", "blowout", "\$XXX savings" and "% off."

5.2 Advertising for Discontinued Products: Products that are deemed discontinued by COOLA in its sole and absolute discretion at the end of a season (either for a season or permanently) may be featured in advertising for clearance or end-of-season sale events and, provided such advertising clearly identifies the product as "discontinued," the following words or phrases may be associated with such discontinued Products: "savings", "save", "\$XXX off", "coupon", "coupon code", "promo code", "under \$XXX", "\$XXX savings" and "% off." COOLA will notify Online Dealer in a written or electronic communication of which Product(s) will be deemed discontinued or available to offer for discount or clearance.

5.3 Web Loyalty Affiliates: Online Dealers may participate in consumer web loyalty programs that provide consumer rewards for online purchases.

5.4 CSEs and Shopping Feeds: Online Dealers are permitted to feed Product data to 3rd party comparison shopping engines.

6. Website Standards: Permissible Public Websites must comply with all applicable laws, including the Federal Trade Commission's mail or telephone order merchandise rules. In addition, Permissible Public Websites must meet the following minimum standards or contain the following elements:

6.1 Information Architecture: Each Permissible Public Website's architecture must have a clear design, intuitive navigation, search, high-resolution images, keyword and brand search capabilities. Easy global site access is required for all consumer service telephone numbers, addresses, e-mail, hours of operation and return policies and process.

6.2 Order Process: A "shopping cart" is required in which a consumer can change quantities and/or remove items. There must be a checkout process that provides a clear statement of all charges including shipping and taxes. An order confirmation number should be provided upon the submission of a completed order that, at a minimum allows the consumer to track purchased products through Online Dealer's consumer service department. Order processing and shipment should be completed within forty-eight hours

at the quoted shipping cost. Information should be provided regarding the expected arrival of any back-ordered items within forty-eight hours of End User order. The consumer must have the option to cancel the order upon notification of the item being on back-order. Online Dealer must provide their full legal name, mailing address, email address, and telephone number which must be included with any shipment of Products from a Permissible Public Website or in an order confirmation email sent at the time of purchase. A product returns policy and credit system should be adopted that is adequate for consumers to return merchandise to the Online Dealer and receive credit for items purchased through the Permissible Public Website.

6.3 Fulfillment and Taxes: Online Dealer shall be responsible for all fulfillment to its customers who order Products through Permissible Public Websites, any applicable taxes associated with such purchases of Products, and any returns of Products.

6.4 Third-Party Fulfillment: Unless separately authorized by COOLA in writing, Dealer shall not use any third-party fulfillment service to store inventory or fulfill orders for the Products. Under no circumstances shall Dealer fulfill orders in any way that results in the shipped Product coming from stock other than Dealer's at Dealer's facility.

6.5 Customer Feedback: Permissible Public Websites shall have a mechanism for receiving consumer feedback and Online Dealer shall use reasonable efforts to address all consumer feedback within twenty-four (24) hours of receipt. Online Dealer agrees to provide copies of any information related to consumer feedback (including any responses to customers) to COOLA for review upon request. Online Dealer agrees to cooperate with COOLA in the investigation of any negative online review associated with Online Dealer's sale of the Products and to use reasonable efforts to assist in resolving such reviews. Online Dealer shall maintain all records related to customer feedback for a period of one year following the creation or submission of such a record, to the extent legally permitted. Nothing in this paragraph shall be construed to require Online Dealer to disclose identifying information about its customers to COOLA.

6.6 Technology Standards: Permissible Public Websites must have a secure transaction form using encrypted-data streams or secure encryption technology, and must be PCI compliant, and a high standard of transaction security should be maintained, including technology advances that become available. The Online Dealer should employ dedicated personnel in-house or a Web agency that provides dedicated personnel to Online Dealer.

6.7 Privacy Policy: Permissible Public Websites will post and enforce a privacy policy compliant with applicable federal, state and local laws and regulations including COPPA compliance, if applicable.

6.8 Content: Permissible Public Websites shall be in good taste and reflect favorably on the COOLA brand, Products, services, employees and athletes. Content shall not contain profanity, defamatory statements, pornography, sexually explicit materials or political material or contain any derogatory statements or slurs related to race, gender, ethnicity, national origin, sexual orientation, physical or mental disabilities or any other protected classes. All content must be accurate, complete and current. All content shall not infringe upon any third-party intellectual property rights or rights of publicity.

7. Inventory: Inventory must be updated at minimum once daily and all out-of-stock items must be clearly marked as such. Online Dealer must purchase and inventory a comprehensive assortment representing the depth of product divisions relevant to the Online Dealer's retail market as defined by COOLA. Online Dealers should contact their sales representative to discuss adequate Product assortment.

8. Sales and Inventory Data: Online Dealer must provide detailed sales and inventory information specific to the Products to COOLA once a week and upon request from COOLA.

9. Registered URLs: Online Dealers may not register any URL using COOLA IP, including but not limited to "COOLA" or any product, collection, or series names or any confusingly similar variation thereof, including typos or alphanumerics. If an Online Dealer is found to own this type of URL, the Online Dealer agrees it will transfer the domain ownership at Online Dealer's cost to COOLA or a COOLA affiliate upon COOLA's request.

10. Compliance with Law and Policies: Online Dealer shall operate its Permissible Public Website(s) in

compliance with all applicable federal, state and local laws including laws related to intellectual property, false advertising, processing of credit cards and consumer protection. Further, Online Dealer shall comply with all applicable COOLA policies including but not limited to sales terms and conditions, credit terms, product returns, and other policies.

11. Modification: COOLA reserves the right to update, amend, or modify this Online Sales Policy at any time upon ten (10) days written notice (including written notice via email) to Online Dealer. Online Dealer's continued use, advertising, offering for sale, or sale of the Products on Permissible Public Websites, use of the COOLA IP on Permissible Public Websites, or use of any other information or materials provided by COOLA to Dealer on Permissible Public Websites will be deemed Online Dealer's acceptance of the amendments.

12. Termination of Authorization to Sell Online: Online Dealer acknowledges and agrees that COOLA may revoke Online Dealer's authorization to sell Products online and/or revoke Online Dealer's authorization to sell Products from any particular URL/website at any time. Upon termination of Online Dealer's status as an Authorized Dealer, Online Dealer's authorization to sell Products on Permissible Public Websites shall also terminate and Online Dealer shall immediately cease all sales of Products on Permissible Public Websites.

**EXHIBIT A**  
**COOLA ONLINE MERCHANDISING STANDARDS**

1. Message: Permissible Public Websites should reflect the channel and consumer profile consistent with Online Dealer's brick and mortar location.
2. Image: Permissible Public Websites should have primary messages that communicate Brands, Selection, Service, and Convenience versus a primary message of Sales, Pricing, or Closeout Merchandise.
3. Distribution: COOLA distribution on a Permissible Public Website should reflect the distribution of the Online Dealer's brick and mortar location. Product should be current season and reflect COOLA distribution objectives for the channel and season. Products or classifications COOLA has requested not be on the sites should not be on the sites.
4. Brand consolidation: COOLA should be represented consolidated as a Brand on the Permissible Public Website.
5. Space: COOLA should be represented with equal to or greater breadth of style and SKU's to other surf and/or lifestyle brands on the site.
6. Position: COOLA should occupy a primary position within the site with clear navigation tools to reach the COOLA assortment, including Brand banners, Gender tabs, etc.
7. Grouping: When displayed with competitive product assortments, COOLA should be displayed with other Surf or Lifestyle brands.
8. Point of Purchase: COOLA brand logos, Product images, Product descriptions, and collateral merchandising artwork should be present and current on the site. For access to current logos as well as additional graphics, please contact sales representatives for access to our site.
9. Inventory management: Online Dealer should stock sufficient inventory to service consumer demand, while limiting purchases so as to cleanly transition seasonal inventory.
10. Clearance Position: The Permissible Public Website should separate clearance inventory from in-season Product, either in a separate location or by displaying clearance at the end of the COOLA assortment.
- 11.