

RYCO GROUP PTY LTD AUTHORISED RESELLER POLICY

VERSION 1

EFFECTIVE DATE: December 14th, 2018

1. INTRODUCTION

A person ("**Authorised Reseller**") may sell, distribute, advertise, market or promote Ryco Group branded products ("**Ryco Products**") in Australia only to the extent and in the manner in which they are authorised to do so by Ryco Group Pty Ltd ABN 13 004 237 727 ("**Ryco Group Pty Ltd**").

This Policy is used by Ryco Group Pty Ltd in its selection and retention of Authorised Resellers. Ryco Group Pty Ltd may limit the Ryco Products that an Authorised Reseller is authorised to sell, distribute, advertise, market or promote and may specify the mode of sale (e.g., through a bricks-and-mortar location or over the Internet, either through the Authorised Reseller's own website or through an approved third-party web portal ("**Third-Party Marketplace**")), through which the Authorised Reseller may sell such Ryco Products. Ryco Group Pty Ltd may conduct audits and unannounced, anonymous surveys and/or spot checks to assess an Authorised Reseller's compliance with this Policy.

By purchasing Ryco Products, each Authorised Reseller agrees to the terms of this Policy. Ryco Group Pty Ltd may amend or supplement this Policy at any time. Interpretation of this Policy is at Ryco Group Pty Ltd's sole discretion.

Selection and retention as an Authorised Reseller of one or more Ryco Products or any of the Ryco Product categories are at Ryco Group Pty Ltd's sole discretion. Non-compliance with this Policy may result, at Ryco Group Pty Ltd's sole discretion, in the suspension (for a period of time determined by Ryco Group Pty Ltd) or termination of a reseller's authorisation to sell one or more Ryco Products and/or any of the Ryco Product categories.

The information contained in this Policy is considered confidential and proprietary to Ryco Group Pty Ltd. It is disclosed to the Authorised Reseller on the basis that the Authorised Reseller agrees to hold the information in confidence and not disclose it to any third-party and only to those within the Authorised Reseller's organization on a need to know basis.

2. GENERAL REQUIREMENTS

Ryco Group Pty Ltd brands are symbols of quality. Ryco Group Pty Ltd's continual quality assurance efforts require that Authorised Resellers maintain consistent quality standards in the marketing, sale and servicing of Ryco Products. Ryco Group Pty Ltd holds its Authorised Resellers to a standard of excellence, which requires that they consistently meet or exceed the expectations of all end-users of Ryco Products, whether they are consumers or professional customers. Ryco Group Pty Ltd's selective distribution strategy helps to ensure that the end-user is satisfied with the entire purchase experience. Authorised Resellers must be dedicated to consistently providing the end-user with impeccable service and a high degree of Ryco Product availability. Repeated out-of-stock occurrences are not acceptable.

2.1. **Authorised Reseller Application**: In order to become an Authorised Reseller, a person must complete and submit an application identifying one of the following reseller categories:

- Brick & Mortar Retailer;
- Brick & Click Retailer;
- Click-Only Retailer; and/or
- E-Commerce Retailer.

that the person seeks to serve for Ryco Products. By identifying a specific reseller category, the person verifies its good faith belief that it can meet the applicable criteria as set forth in this Policy.

Upon receipt of the application, Ryco Group Pty Ltd will review for authorisation. The decision as to whether to award authorisation rests within Ryco Group Pty Ltd's sole discretion.

- 2.2. **Annual Compliance Review:** Compliance with this Policy is continuously monitored by Ryco Group Pty Ltd. In addition to routine compliance evaluation, Authorised Resellers will be subject to an annual compliance review conducted by Ryco Group Pty Ltd.
- 2.3. **Non-compliance:** Non-compliance with this Policy may result in suspension (for a period of time determined by Ryco Group Pty Ltd) or termination of the Authorised Reseller's authorisation to sell one or more Ryco Products. Ryco Group Pty Ltd will provide an Authorised Reseller with notice specifying the breach and a time within which to rectify the breach, failing which Ryco Group Pty Ltd may suspend (for a period of time determined by Ryco Group Pty Ltd) or terminate the Authorised Reseller's authorisation. The Authorised Reseller must provide to Ryco Group Pty Ltd written verification of the corrective measures taken to cure the breach within the time prescribed by the written notice. Notwithstanding any such verification, two or more breaches of this Policy within a twelve (12) month period will be deemed a failure to cure and may result in immediate suspension (for a period of time determined by Ryco Group Pty Ltd) or termination with no further notice or opportunity to cure.
- 2.4. **Reinstatement:** Any request or application for reinstatement of authorisation to sell Ryco Products will not be considered within the same quarter in which the suspension or termination occurred. Ryco Group Pty Ltd is under no obligation to consider any request for reinstatement of authorisation to sell Ryco Products. If considered at all, Ryco Group Pty Ltd will consider a request for reinstatement no sooner than the end of the quarter following the quarter in which the suspension or termination occurred.

3. RYCO IP LICENCE

- 3.1. **Ryco IP:** All Ryco Group Pty Ltd trademarks, trade names, brand names, depictions, colours, graphics, logos, packaging, catalogues, product descriptions, product numbers or other written materials whether or not registered or otherwise protected ("**Ryco IP**") associated with the Ryco Products remain Ryco Group Pty Ltd's sole and exclusive property and nothing arising out of the relationship between Ryco Group Pty Ltd and any Authorised Reseller conveys to the Authorised Reseller any ownership rights in the Ryco IP.
- 3.2. **Licence:** Ryco Group Pty Ltd grants to each Authorised Reseller a limited, non-exclusive, non-transferable, non-sublicenseable license to use the Ryco IP in accordance with this Policy only in relation to the Ryco Products that the Authorised Reseller is authorised to sell.
- 3.3. **Use of Ryco IP:** Authorised Resellers may use the Ryco IP only in the advertising/promotion and sale of authentic Ryco Products in compliance with the terms of this Policy. The Ryco IP must be used exactly in the form provided and in conformity with any Ryco Group Pty Ltd usage policies or guidelines, including, but not limited to shape, colour match and imprint quality. Any proposed deviation must be approved in writing by Ryco Group Pty Ltd prior to use. Ryco Group Pty Ltd will own any rights arising from an Authorised Reseller's use of graphics, text, format and other information provided by Ryco Group Pty Ltd. Prior to any use of the Ryco IP on goods or services, the Authorised Reseller must submit samples for Ryco Group Pty Ltd's approval. No Authorised Reseller may use Ryco Product depictions, graphics or logos relating to the Ryco Products that have not been provided by Ryco Group Pty Ltd in connection with the advertising, promotion or sale of any Ryco Products without submitting samples to Ryco Group Pty Ltd for prior review and written approval of each such use.

Except as set forth in a separate written license agreement, no person, including an Authorised Reseller, may use the Ryco IP in or as part of any (i) domain name or URL on the Internet, (ii) trademark or service mark, or (iii) company or trade name.

4. PURCHASE AND RESALE PROHIBITIONS

- 4.1. **Selective Distribution – Authorisation Required:** Ryco Group Pty Ltd employs selective distribution in order to ensure that the expectations of end-users of Ryco Products are consistently met or exceeded. In order to maintain this optimal customer experience, and to assure the integrity of

products sold under Ryco Group Pty Ltd's brands, Ryco Group Pty Ltd prohibits both the sale and purchase of Ryco Products to and from unauthorised resellers. Authorisation to sell Ryco Products is essential to Ryco Group Pty Ltd's ability to protect against the distribution, sale and marketing of counterfeit or "knock-offs" of Ryco Products in the marketplace.

- 4.2. **Resale Prohibitions:** In order to assure that Ryco Products are not sold through distribution channels that Ryco Group Pty Ltd has not approved, Authorised Resellers are not permitted to sell Ryco Products to any reseller that is not an Authorised Reseller, or otherwise assist in or facilitate sales of Ryco Products by a reseller that is not an Authorised Reseller, without Ryco Group Pty Ltd's prior written consent. By restricting the sale of Ryco Products by Authorised Resellers to other Authorised Resellers, Ryco Group Pty Ltd is best able to assure the authenticity of the Ryco Products distributed in the marketplace and manage the consumer's purchase experience. Pursuant to Section 6 below, Authorised Resellers who sell online are provided online badges to post on their websites that identify them as Authorised Resellers of the Ryco Products. Before selling any Ryco Product to a person that is not an end-user, the Authorised Reseller should check that person's website for the requisite badge. If unsure whether a potential purchaser is authorised to sell the Ryco Products, the Authorised Reseller should contact Ryco Group Pty Ltd to obtain assurance that the prospective purchaser is an Authorised Reseller. In addition, without Ryco Group Pty Ltd's prior written consent, an Authorised Reseller may not conduct the business of selling Ryco Products under any name that has not been approved by Ryco Group Pty Ltd.
- 4.3. **Purchase Prohibitions:** Authorised Resellers may only purchase Ryco Products from Ryco Group Pty Ltd or another Authorised Reseller/ Distributor.
- 4.4. **Retailer Sales to End-Users Limited to Australia:** The Ryco Products are designed, manufactured and packaged to country-specific requirements. The sale of Ryco Products into geographic areas in which the Ryco Products were not intended to be sold, therefore, is prohibited. Ryco Products intended for resale in Australia may not be suitable for use outside of Australia, may not comply with laws in effect outside of Australia. Additionally, end-users located outside of Australia may not have access to Ryco Product service, replacement parts and safety and recall notices relating to Ryco Products that are intended for sale in Australia. Except as authorised in writing by Ryco Group Pty Ltd, Authorised Resellers may only sell Ryco Products to end-users and other Authorised Resellers that are located in Australia.
- 4.5. **Original Packaging and Ryco Product Configurations Requirement:** Except as expressly authorised in writing by Ryco Products must be sold by the Authorised Reseller in the same configuration and packaging as they were purchased from Ryco Group Pty Ltd. If the product number is used to describe the Ryco Product, it must be the product number designated by Ryco Group Pty Ltd.
- 4.6. **Other Restrictions on the Sale of Certain Ryco Products:** Ryco Group Pty Ltd expressly reserves the right to determine which of the Ryco Products to offer for sale to each of its Authorised Resellers and may designate certain Ryco Products for distribution and sale to select customers, channels or retail platforms. Within the exercise of its sole discretion, for example, Ryco Group Pty Ltd may designate certain Ryco Group Products for sale only to certain Authorised Resellers or may prohibit Authorised Resellers from reselling designated Ryco Group Products on certain online platforms (e.g. Third-Party Marketplaces).

5. BRICK-AND-MORTAR ("B&M") RETAILERS

Authorised Resellers selling from bricks-and-mortar retail stores ("**B&M Retailers**") must comply with the requirements set out below:

- B&M Retailer must operate at least one physical, bricks-and-mortar retail store with a street address in Australia.
- B&M Retailer must carry and display in each of its retail stores the designated minimum number of Ryco Group Product SKUs.
- B&M Retailer must maintain a knowledgeable sales staff and customer service support.
- B&M Retailer must provide to Ryco Group Pty Ltd and update the physical addresses of each of its retail stores, with telephone number, fax number, website and/or e-mail address as this information changes.

6. ONLINE RETAILERS

- 6.1. **Online Retailers**: Authorised Resellers may be additionally approved to serve as Online Retailers.
- 6.2. **Categories of Online Retailers**: Online Retailers fall into one of the following three (3) categories:
- **Brick & Click Retailers**: B&M Retailers which meet the additional online requirements set out in this Section 6, and are specifically approved by Ryco Group Pty Ltd (in the exercise of its sole discretion) to resell Ryco Products on their own websites;
 - **Click-Only Retailers**: Authorised Resellers who have little or no brick-and-mortar retail operations which meet the additional online requirements set out in this Section 6, and are specifically approved by Ryco Group Pty Ltd (in the exercise of its sole discretion) to resell Ryco Products on their own websites; or
 - **E-Commerce Retailers**: Authorised Resellers who have little or no brick-and-mortar retail operations which meet the additional online requirements set out in this Section 6 and are specifically approved by Ryco Group Pty Ltd (in the exercise of its sole discretion), to resell Ryco Products on their own websites or on approved Third-Party Marketplaces.

- 6.3. **Restrictions Applicable to Online Retailers**: The following restrictions apply to the different categories of Online Retailers:

6.3.1. **Brick & Click Retailers** may sell Ryco Products in their brick-and-mortar stores and over the Internet **only** through their own websites. They may **NOT** sell, and are **PROHIBITED** from selling Ryco Products on: (i) any Third-Party Marketplaces; (ii) any social media/classified sites; or (iii) any auction sites.

6.3.2. **Click-Only Retailers** may sell Ryco Products over the Internet **only** through their own websites. They may **NOT** sell, and are **PROHIBITED** from selling Ryco Products on: (i) any Third-Party Marketplaces; (ii) any social media/classified sites; or (iii) any auction sites.

6.3.3. **E-Commerce Retailers** may sell Ryco Products over the Internet on their own websites or on certain approved Third-Party Marketplaces as identified from time-to-time by Ryco Group Pty Ltd. They may **NOT** sell, and are **PROHIBITED** from selling Ryco Products on: (i) any unapproved Third-Party Marketplaces; (ii) any unapproved social media/classified sites; or (iii) any unapproved auction sites.

Absent to Ryco Group Pty Ltd's prior written consent, no Online Retailer of any category may permit its website to be used as a web portal or Third-Party Marketplace for the sale of Ryco Products by another person or entity.

- 6.4. **Selection Criteria**: The baseline requirement of all Online Retailers is the Authorised Reseller's operation and maintenance of a fully functional, easy-to-navigate and visually appealing website that ensures a positive purchasing experience for the intended end-users of Ryco Group Pty Ltd's Products. Toward that end, Ryco Group Pty Ltd generally considers the following criteria in deciding whether a retailer can be an Online Retailer:

- the visual appeal, both in general and to the intended end-user of the Authorised Reseller's website.
- the ease of use and functionality of the Authorised Reseller's website.
- the "look & feel" of the Authorised Reseller's website, as it relates to the promotion and enhancement of the image and goodwill associated with Ryco Group Pty Ltd's brands.
- the Authorised Reseller's offline and online target market.
- the availability of complementary Ryco Products and services that enhance the end-user's experience.
- any unique or compelling advantages provided by the promotion and distribution of Ryco Products by Ryco Group Pty Ltd through the Authorised Reseller's website.
- the Authorised Reseller's ability to meet a business opportunity not currently met by Ryco Group Pty Ltd's existing Authorised Reseller network.

- the Authorised Reseller's ability to provide sell-through information by SKU and approved retail location upon request. Ryco Filters reserves the right to perform an audit of all financial statements pertaining to Ryco Filters sales or the business operations (conduct) to ensure compliance with this policy.
- the Authorised Reseller's agreement not to sell in bulk to B2B accounts, wholesalers, or freight forwarders/drop shippers for other retailers. Reseller may only sell to their end consumers.
- the Authorised Reseller must not re-SKU or bundle Ryco Filters products in your online assortments and data feeds without receiving prior written permission from Ryco Filters.

6.5. **Retailer Website Requirements:** Each Online Retailer is solely responsible for the design and development of its website.

Each Online Retailer must operate and maintain its own website in compliance with the following requirements:

- the Online Retailer's website must be notified to Ryco Group Pty Ltd
- all of the Online Retailer's URLs and/or any trade names must be notified to Ryco Group Pty Ltd before they can be used to sell Ryco Products
- the Online Retailer must provide Ryco Group Pty Ltd a non-expiring URL hyperlink to each such Ryco Group Pty Ltd "brand page" enabling visitors to link directly from Ryco Group Pty Ltd's website to the corresponding "brand page" of the Online Retailer's website. Each Ryco Group Pty Ltd brand page on the website must:
 - prominently display the Online Retailer's appropriate Online Retailer badge (see Section 6 below);
 - display the applicable Ryco Group Pty Ltd brands in a banner or header;
 - contain a list of all Ryco Product categories of the each applicable Ryco Group Pty Ltd brand carried on the website; and
 - utilize a format approved by Ryco Group Pty Ltd or a template provided by Ryco Group Pty Ltd.
- the Online Retailer's ownership of its website must be clear to the end-user from the overall appearance, graphics and trademark usage. The Online Retailer's name must be significantly more prominent than any Ryco IP.
- Ryco IP may not be used in the Online Retailer's domain name or URL unless they appear to the right of the top-level domain name (e.g. ".com") in the Online Retailer's URL.
- appropriate Ryco IP may be used as a metatag to identify accurately that Ryco Products are available for sale from the website.
- the website must be of sufficient aesthetic quality as determined by Ryco Group Pty Ltd.
- the website must prominently display the Online Retailer's customer service contact information.
- website functionality must minimally include:
 - A secure payment system for customer protection (e.g., PayPal, VeriSign).
 - Prominent display of and compliance with an online privacy policy at least as stringent as the Ryco Group Pty Ltd privacy policy.
 - 24/7 functionality 365 days a year with 99% uptime.
- the website must have the capability to utilize and quickly load high-resolution graphics to minimize online user frustration and maximize end-user satisfaction with the Online Retailer's website and the purchase experience.
- all Ryco IP used on the website must meet all Ryco Group Pty Ltd standards.
- the website must provide an area commonly known as a "brand page" that displays each Ryco Group Pty Ltd brand carried by the Online Retailer.
- the website must contain all warranty information for the Ryco Products carried.
- the website must be updated promptly (at least once each quarter) to include the latest Ryco Group Pty Ltd graphics and text information. The Online Retailer is responsible for obtaining this information from Ryco Group Pty Ltd and populating the data into its site.
- the owner of the website is actively investing and growing through organic and paid search functionalities that allow for competitive brand recognition.

- 6.6. **Online Badging of Online Retailers:** Upon selection as an Online Retailer, Ryco Group Pty Ltd will provide the “Authorised Online Retailer” badge. The badge informs both end-users and other Authorised Resellers of the Authorised Reseller’s authorisation to sell Ryco Products online.

Except as permitted in writing by Ryco Group Pty Ltd, each Online Retailer must prominently display on each of the Ryco Group Pty Ltd “brand pages” of its website the online badge provided to it by Ryco Group Pty Ltd. Each badge will identify the Authorised Reseller as an Online Retailer for Ryco Products and will be watermarked with a certification number for each Online Retailer website.

An online badge ensures the end-user that the Online Retailer is an authorised and trusted retailer of Ryco Group Pty Ltd who:

- is sufficiently familiar with Ryco Products and available to answer questions.
- is committed to providing excellent customer service.
- has direct access to Ryco Product managers and sales representatives.
- can offer the latest Ryco Group Pty Ltd promotions.
- sells only genuine Ryco Products, which have not been tampered with or altered in any way.

- 6.7. **Additional Requirements:** All Online Retailers also must:

- provide shipping to ensure delivery of Ryco Products purchased from the website to the end-user within seven (7) days if the Ryco Products are in stock.
- comply with all laws.
- provide direct access to knowledgeable customer service representative by telephone.
- Consistently meet or exceed Ryco Group Pty Ltd end-user satisfaction standards as reflected in customer satisfaction survey results.

6.8. **Authorised E-Commerce Retailers**

- 6.8.1. **Designation of E-Commerce Retailers:** An Online Retailer may be designated by Ryco Group Pty Ltd as an E-Commerce Retailer if 75% or more of the Online Retailer’s sales volume of Ryco Products is generated through online sales.

- 6.8.2. **Ryco Group Pty Ltd's Approval of Third-Party Marketplaces:** An E-Commerce Retailer may market and sell those Ryco Products that they are authorised to sell on their own websites and through Third-Party Marketplaces that have been approved by Ryco Group Pty Ltd. From time-to-time, Ryco Group Pty Ltd will notify its E-Commerce Retailers of any changes to the list of Third-Party Marketplaces that Ryco Group Pty Ltd has approved. Ryco Group Pty Ltd reserves the right to terminate its approval of any Third-Party Marketplace at any time and, upon any such termination, E-Commerce Retailers marketing and selling Ryco Products through any such no-longer-approved Third-Party Marketplace must cease such marketing and sales promptly. Ryco Group Pty Ltd further reserves the right to prohibit, from time-to-time, the marketing and sale of certain designated Ryco Products through all or some of the approved Third-Party Marketplaces.

- 6.8.3. **Third-Party Marketplace Requirements:** In order to market and sell Ryco Products through approved Third-Party Marketplaces, the Ecommerce Retailer must comply with the following:

- be an Online Retailer in good standing.
- comply with this Policy.
- register all "seller" names that it uses on approved Third-Party Marketplaces indicating the "seller" name that will be used on each such approved Third-Party Marketplace.
- Ryco IP may not be used in the E-Commerce Retailer’s “seller” name on a Third-Party Marketplace.
- utilize a secure payment system for customer protection (e.g., PayPal, VeriSign).
- comply with all laws.

- maintain an online "store" or "store-front" on the approved Third-Party Marketplace that:
 - displays the "Authorised Online Retailer" badge and "clicks through" to a Ryco Group Pty Ltd verification page (provided after verification from Ryco Group Pty Ltd), if permitted by the host of the Third-Party Marketplace.
 - uses Ryco Group Pty Ltd-provided marketing material and images.
 - provides a professional "look & feel" for Ryco Group Pty Ltd detail pages, including authorised Ryco Product images, features/benefits, warranty and specifications.
 - meets or exceeds Ryco Group Pty Ltd's standards as reflected in customer satisfaction survey results on the Third-Party Marketplace.
- maintain "seller" (or product) pages that clearly identify the E-Commerce Retailer and include its:
 - address.
 - phone number.
 - email address.
 - return policy (that supports Ryco Group Pty Ltd warranty policy).
 - contact name.
 - shipping information (i.e., the time it will ship from the E-Commerce Retailer's store/warehouse).
 - clearly displayed shipping policy and charges (e.g. \$7 flat rate shipping, or shipping calculation at checkout).
- have "About Us (Me)" or similar information on the approved Third-Party Marketplace that identifies the authorised status of the E-Commerce Retailer by displaying, if permitted, the appropriate "Authorised Online Retailer" badge and the following statement:

"[E-Commerce Retailer's name] has been appointed as an E-Commerce Retailer of Ryco Products by satisfying the quality assurance standards of Ryco Products, including those relating to end-user security and satisfaction, marketing accuracy and Ryco Product and warranty support."