



June 4, 2019

Dear Reseller,

At PrePak Products, Inc. (“PrePak”), we are committed to you—the partners that have helped our company provide practical, innovative products to consumers for more than 30 years. To protect our brand and the integrity of our authorized distribution channels, PrePak is announcing and implementing an Authorized Reseller Program, effective **July 1, 2019**.

Among other benefits, our Authorized Reseller Program will ensure that all sellers of PrePak products understand and take the steps necessary to ensure product quality and provide the excellent customer service that is integral to the reputation of our brand. In addition, our Authorized Reseller Program will assist us in identifying and taking action against unauthorized sellers that are harming you and consumers through the sale of damaged and diverted products.

Your obligations under our new Authorized Reseller Program are outlined in the **PrePak Products, Inc. Authorized Reseller Policy**, which is attached for your review.

Key Features of the Authorized Reseller Policy:

- **Where and to Whom You May Sell PrePak Products:** PrePak is committed to maintaining the integrity of its authorized distribution channels and to stopping the diversion of PrePak products to unauthorized sellers. To this end, the Authorized Reseller Policy requires that you sell PrePak products solely to end users and not to persons or entities who intend to re-sell PrePak products. In addition, PrePak products may not be marketed for sale or shipped outside of the United States without our prior written consent.
- **Online Sales:** The Authorized Reseller Policy prohibits the sale of PrePak products on or through any website, online marketplace, mobile application, or other online forum, without the prior written consent of PrePak. This restriction will be strictly enforced. For information on becoming approved to sell online, please contact us at PolicyCompliance@prepakproducts.com.
- **Ensuring Product Quality and Satisfaction:** To ensure that the consumers who purchase PrePak products have the best experience possible, we have outlined our expectations for the service you will provide to your customers. The Authorized Reseller Policy also describes certain steps you must take to maintain the quality of PrePak products until they reach consumers.

Thank you for your careful attention to our new policy and for your continued support of the PrePak brands.

Sincerely,

PrePak Products, Inc.

PREPAK PRODUCTS, INC. AUTHORIZED RESELLER POLICY
Effective Date: July 1, 2019

This PrePak Products, Inc. Authorized Reseller Policy (“Reseller Policy”) is issued by PrePak Products, Inc. (“PrePak”) and applies to Authorized Resellers of PrePak products (“Product(s)”) in the United States of America. By purchasing Products from PrePak or an Authorized PrePak Distributor for retail sale, you (“Reseller”) agree to adhere to the following terms. Until such status is otherwise revoked by PrePak in PrePak’s sole and absolute discretion, Reseller shall be considered an “Authorized Reseller” hereunder. PrePak may review Reseller’s activities for compliance with this Reseller Policy and Reseller agrees to cooperate with any investigation, including, but not limited to, permitting inspection of Reseller’s facility and records related to the sale of the Products.

1. **Authorized Customers.** Reseller is authorized to sell Products to End Users. An “End User” is a purchaser of the Products who is the ultimate consumer of the Products and who does not intend to resell the Products to any third party. Reseller shall not sell or transfer Products to any person or entity Reseller knows or has reason to know intends to resell the Products. Reseller shall not sell, ship, invoice, or promote the Products outside the United States of America without PrePak’s prior written consent.

2. **Online Sales.** Reseller shall not advertise or sell Products on or through any website, online marketplace, mobile application, or other online forum without the prior written consent of PrePak. The terms of this Reseller Policy supersede any prior agreement between PrePak and Reseller regarding the sale of the Products on or through websites, mobile applications, and other online forums. Any authorization previously granted to Reseller by PrePak to sell the Products on or through a website, mobile application, or other online forum is hereby revoked.

3. **Sales Practices.** Reseller shall conduct its business in a reasonable and ethical manner at all times, and shall not engage in any deceptive, misleading or unethical practices or advertising at any time. Reseller shall not make any warranties or representations concerning the Products except as expressly authorized by PrePak. Reseller shall comply with any and all applicable laws, rules, regulations, and policies related to the advertising, sale, and marketing of the Products. Reseller shall represent the Products in a professional manner and refrain from any conduct that is or could be detrimental to the reputation of PrePak.

4. **Product Care, Customer Service, and Other Quality Controls.**

(a) Reseller shall comply with all instructions provided by PrePak regarding the storage, handling, shipping, disposal, or other aspect of the Products, including instructions provided on Product labels. Reseller shall store Products in a cool, dry place, away from direct sunlight.

(b) Reseller shall sell Products in their original packaging. Relabeling, repackaging (including the separation of bundled Products or the bundling of Products), and other alterations to Products or their packaging are not permitted without PrePak’s prior written authorization. Reseller shall not remove, translate, or modify the contents of any label or literature on or accompanying the Products without PrePak’s prior written authorization. Reseller shall not tamper with, deface, or otherwise alter any serial number, UPC code, batch or lot code, or other identifying information on Products or their packaging. Reseller shall not dilute Products.

(c) Reseller shall not represent or advertise any Product as “new” that has been returned open or repackaged. Reseller shall not resell any massage cream Product that has been returned with its sealing disc broken, missing, tampered with, or damaged.

(d) Promptly upon receipt of the Products, Reseller shall inspect the Products and their packaging for damage, defect, broken or missing sealing discs, evidence of tampering, or other nonconformance (a “Defect”). If any Defect is identified, Reseller must not offer the Product for sale and must promptly report the Defect to PrePak at 1-800-544-7257 or PolicyCompliance@prepakproducts.com.

(e) Reseller shall inspect its inventory regularly for expired Products and shall remove those Products from its inventory. Reseller shall not sell any expired Products. Reseller shall destroy or dispose of expired Products appropriately and in accordance with any instructions provided by PrePak.

(f) Reseller shall be familiar with the special features of all Products marketed for sale and must obtain sufficient Product knowledge to advise customers on the selection and safe use of the Products, as well as any

applicable warranty, guarantee, or return policy. Reseller must 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.

(g) Reseller shall cooperate with PrePak with respect to any Product tracking systems that may be implemented from time to time.

(h) Reseller shall cooperate with PrePak with respect to any Product recall or other consumer safety information dissemination efforts.

(i) Reseller shall report to PrePak any customer complaint or adverse claim regarding the Products of which it becomes aware. Reseller shall assist PrePak in investigating any such complaints or adverse claims.

(j) Reseller shall cooperate with PrePak in the investigation and resolution of any quality or customer service issues related to Reseller's sale of the Products, including disclosing information regarding Product sources, shipment, and handling.

5. **Intellectual Property.** Reseller acknowledges and agrees that PrePak owns all proprietary rights in and to the PrePak brand, name, logos, trademarks, service marks, trade dress, copyrights, and other intellectual property related to the Products (the "**PrePak IP**"). Reseller is granted a limited, non-exclusive, non-transferable, revocable license to use the PrePak IP solely for purposes of marketing and selling the Products as set forth herein. This license will cease upon termination of Reseller's status as an Authorized Reseller. All goodwill arising from Reseller's use of the PrePak IP shall inure solely to the benefit of PrePak or its licensors. Reseller's use of the PrePak IP shall be in accordance with any guidelines that may be provided by PrePak from time to time ("**Brand Guidelines**") and must be commercially reasonable as to the size, placement, and other manners of use. PrePak reserves the right to review and approve, in its sole discretion, Reseller's use or intended use of the PrePak IP at any time, without limitation. Reseller shall not create, register, or use any domain name or any mobile application that contains any PrePak product name or trademark, nor a misspelling or confusingly similar variation of any PrePak product name or trademark.

6. **Termination.** If Reseller violates this Reseller Policy, PrePak reserves the right to terminate Reseller's status as an Authorized Reseller with written or electronic notice. Upon termination of a Reseller's status as an Authorized Reseller, Reseller shall immediately cease (i) selling the Products; (ii) acting in any manner that may reasonably give the impression that Reseller is an Authorized Reseller of PrePak Products or has any affiliation whatsoever with PrePak; and (iii) using all PrePak IP.

7. **Modification.** PrePak reserves the right to update, amend, or modify this Reseller Policy at any time. Unless otherwise provided, such amendments will take effect immediately and Reseller's continued use, advertising, offering for sale, or sale of the Products, use of the PrePak IP, or use of any other information or materials provided by PrePak to Reseller will be deemed Reseller's acceptance of the amendments.

8. **Confidentiality.** This Reseller Policy constitutes confidential, proprietary information of PrePak and shall not be used for any purpose other than the authorized advertising and sale of the Products nor disclosed to any third party without the prior written consent of PrePak.