

Authorized Resale Policy

Rugg Manufacturing Company (the “Brand Owner”) hereby adopts this Resale Policy (this “Policy”) and requires that each person, firm or entity (as applicable, a “Reseller”) that purchases Brand Owner’s products (the “Products”) for resale or other distribution agree to comply with this Policy.

Any Reseller that fails to comply with this Policy will be deemed an unauthorized reseller of the Products, and as such, shall have no right to: (i) sell the Products, (ii) use Brand Owner’s intellectual property, including any of its trademarks or copyrights, or (iii) offer Brand Owner’s consumer warranty applicable to any of the Products.

1. Applicability. This Policy applies to all resales of the Products. Regardless as to where the Products were acquired, either directly from the Brand Owner, through an authorized distributor, or some other procurement method, a Reseller must comply with the terms of this Policy.
2. Sales to End Users Only. Unless otherwise agreed with Brand Owner in writing, Reseller may only purchase Products for resale to consumers and end user customers, and Reseller may not resell Products to other Resellers, distributors or for further distribution in any manner.
3. No Sales on Online Marketplaces. Without the Brand Owner’s express written consent, Reseller may not advertise or sell the Products online on any e-commerce platform, specifically including, but not limited to, Amazon, eBay and Walmart. Reseller may sell Products on its own website.
4. Handling and Storage. Reseller agrees to handle and store the Products in a safe manner and in compliance with Brand Owner’s storage and handling guidelines. Reseller will ensure that any Products it purchased are stored in secure, climate-controlled warehouses.
5. Product Packaging and Display. 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. Tampering with, defacing, or otherwise altering any serial number, UPC code, batch or lot code, SKU or other identifying information on Products or their packaging is prohibited. Reseller may not remove, translate, or modify the contents of any label or literature on or accompanying the Products. Reseller shall not advertise, market, display, or demonstrate non-Brand Owner Products together with the Products in a manner that would create the impression that the non-Brand Owner Products are made by, endorsed by, or associated with Brand Owner.
6. Trademarks; Copyrights. Resellers that comply with this Policy have a limited, non-exclusive, non-sublicensable, revocable license to use Brand Owner’s trademarks and copyrights in connection with the sale of the Products. Reseller shall not alter, modify, or change any trademark or copyright, nor shall Reseller use any trademark

or copyright other than for the promotion and sale of the Products, nor shall Reseller use any trademark or copyright in any manner that negatively impacts such trademark or copyright or the Brand Owner. Failure to comply with the Policy will result in the automatic revocation of the license granted herein and a total forfeiture of the rights granted herein. Brand Owner reserves the right to revoke this license at any time for any or no reason.

7. Locations / Reporting. Reseller agrees to track the Products it purchases and to store all such Products at locations in compliance with this Policy. At Brand Owner's request, Reseller will provide Brand Owner with (a) a list of all storage locations utilized by Reseller, (b) an inventory of Products maintained at each such storage location, and (c) physical access for Brand Owner to perform an inventory to confirm the amounts and locations of Products at Reseller's stated locations.
8. Product Inspection. Promptly upon receipt of the Products, Reseller agrees to inspect the Products for damage, defects, evidence of tampering, or other non-conformances (a "Defect"). If any Defect is identified, Reseller must not offer the Product for sale and must promptly report the Defect to Brand Owner.
9. Recall and Consumer Safety. To ensure the safety and well-being of the end users of the Products, Reseller agrees to cooperate with Brand Owner with respect to any Product recall or other consumer safety information dissemination efforts.
10. Customer Service. Reseller will maintain customer service phone and email response functions to handle customer complaints, returns and other customer service functions. At Brand Owner's request, Reseller will provide any reports or other information related to such customer services.
11. Product Loss and Theft. If any significant quantity of Products purchased by Reseller are lost or stolen, Reseller will promptly report such event to Brand Owner.
12. Report Unauthorized Resellers. If Reseller has information or reasonably suspects that any person is purchasing and reselling or distributing Products in a manner not authorized by Brand Owner or in violation of this Policy, Reseller must promptly notify Brand Owner.
13. Support of Manufacturer's Warranty. Reseller may extend to any proper purchaser of the Products the original manufacturer's warranty in accordance with its terms. Reseller may not modify or alter the original manufacturer's warranty, represent or characterize the original manufacturer's warranty in any misleading manner, or extend its own warranty with respect to the Products. Failure to comply with this Policy will result in the total forfeiture of Reseller's right to offer Brand Owner's consumer warranty.
14. Other Information, Documents and Reports. Reseller must provide Brand Owner with any supplemental information, documents and reports that Brand Owner may request in order to validate Reseller's compliance with this Policy and to support Brand Owner's warranty support and customer support obligations and initiatives.

**RESELLERS WHO FAIL TO COMPLY WITH THE FOREGOING TERMS FORFEIT THE
RIGHT TO SELL THE PRODUCTS.**

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