

406 CBD WHOLESALE AGREEMENT

This is an agreement between 406 CBD, hereby referred to as the Company and the applicant submitting this online application, hereby referred to as the Customer. The Company agrees to authorize and supply the Customer with Company's products, to be purchased by the Customer for resale purposes. This agreement will be effective on the date ("Effective Date") Customer executes the Agreement.

The Company will provide product(s), appropriate training, literature, promotional materials and after product related support. This agreement will be a binding agreement to the terms and conditions of sale outlined below, as enforced by the laws of the State of Montana.

TERMS AND CONDITIONS

Ordering & Pricing

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- **WHOLESALE:** There is a \$1000 minimum initial order requirement, which may consist of any combination of SKUs offered by the Company. To maintain a WHOLESALE discount with the Company, the Customer is required to make a purchase every 90 days. The Company reserves the right to change products and prices at any time.

Minimum Advertised Price (MAP) Policy

1. Policy Statement

The Company believes in maintaining a well-regulated and fair marketplace for all its authorized Customers. The Company, in its sole discretion, reserves the right to discontinue doing business with any Customer that advertises any product(s) covered by this MAP Policy at a price lower than the MAP and or in violation of the company's compliance policy highlighted herein.

2. General Guidelines

- A. All products offered by the Company are covered under this policy. The Company may in its sole discretion modify the products offered to Customers as it determines fit.
- B. The Company recognizes that Customers are free to make their own pricing decisions to advertise and sell any product at any price they choose, without consulting or advising the Company. Similarly, the Company will exercise its right to make its own decisions regarding the Authorized Customer Program, supplemental marketing materials, product allocation, new product availability, or future promotional, joint marketing, or sponsorship programs.
- C. The MAP Policy applies to advertised prices, not the price at which MAP Products are sold or offered for sale to an individual in-store or over the telephone.

3. Compliance Guidelines

Customer agrees to be bound by the following regulatory guidelines. A failure to adhere to this section may result in the Company immediately terminating this Agreement with the Customer.

A. Unapproved Medical Claims/Therapeutic Claims

- a. **DO NOT MAKE MEDICAL CLAIMS.** It is a violation of the Company's compliance policy to make a medical claim, state a medical fact, or anything that could be reasonably interpreted as a medical claim or medical fact. This includes, but is not limited to: discussing dosage or treatment options, explaining biology or physiology, referencing studies, patents, websites, news sources or research, providing websites or linking search terms, naming professionals who may be researching or using the product, referring to a customer as a patient, naming specific ailments, diseases, cancers or health issues in reference to the Company's products, state that Company's products are drugs or FDA approved, use medical terms (e.g. sub-lingual, killing off cells, pharmaceutical grade, etc.), offer an opinion, or rely on a disclaimer prior to doing any of the above or

anything that could be reasonably interpreted as a medical claim or medical fact.

- b. Medical/Therapeutic Claims defined as statements explicit or implied about a product or ingredient that is intended to diagnose, treat or mitigate a disease state.
- c. Practical Implications of a Violation
 - i. The Food and Drug Administration (FDA) and the Federal Trade Commission (FTC) penalize unlicensed medical claims, unapproved health claims, and quasi-medical advice with large fines, prison, or both. Thus, strict compliance with this section's terminology and guidelines is required to avoid fines and/or prison.

B. Reporting

a. Adverse Events

- i. Customers agree to make the Company aware immediately of any negative effects encountered while using Company products. Customer shall immediately notify the Company of the following:
 - 1. Affected individual's name,
 - 2. Contact information of the affected individual,
 - 3. Date upon which Adverse Event occurred,
 - 4. Type of and severity of Adverse Event,
 - 5. Product causing the adverse effect, and
 - 6. First date Customer became aware of the issue.

C. Other Compliance Rules

a. Customer Confidentiality

- i. **ALWAYS MAINTAIN CUSTOMER CONFIDENTIALITY.** It is a violation of Company's compliance policy to provide any information about a customer to another customer. This information includes, but is not limited to stating a customer's health or medical issues, reasons for using the product, utilizing customers' stories to illustrate product benefits, customer experiences or anything else that includes other customers.

b. Customer Research

- i. The Company encourages their customers to conduct their research. The following terms are the only terms that can be provided to customers for research purposes: cannabinoids, hemp, industrial hemp, and commercial hemp.

c. Infractions

- i. The Company has a culture of cooperation and camaraderie. To maintain this environment, the Company, encourages reporting any infraction of the terms, conditions, or provisions to the Company.

4. Price Advertising Guidelines

- A. The MAP Policy applies to all advertisements of MAP Products in any and all media, including but not limited to flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, television, radio, and public signage, as well as Internet sites, social media sites, apps, or any other electronic media.
- B. The MAP Policy does not apply to solely on-premise or in-store advertising that is not distributed to customers.

- C. Website features such as “click for price”, automated “bounce-back” pricing e-mails, preformatted e-mail responses, forms, and automatic price display for any items prior to being placed in a customer’s shopping cart, and other similar features are considered to be communications initiated by the dealer (rather than by the customer) and thereby constitute “advertising” under this MAP Policy.
- D. It shall not be a violation of this MAP Policy to advertise that a customer may “call for price” or “email for price”, or to use similar language, specifically with respect to COMPANY’S Products, so long as no price is listed.
- E. This MAP Policy also applies to any activity which the Company determines, in its sole discretion, is designed or intended to circumvent the intent of this MAP Policy, such as solicitations for ‘group purchases’ and the like.
- F. It shall not be a violation of this MAP Policy to advertise in general that the reseller has “the lowest prices” or will match or beat its competitors’ prices, or to use similar phrases; so long as the reseller does not include any advertised price below MAP and otherwise complies with this MAP Policy.
- G. From time to time, the Company may permit Customers to advertise MAP Products at prices lower than the MAP retail price. The Customer must obtain permission to do so with prior written consent. In such events, the Company reserves the right to modify or suspend the MAP retail price with respect to the affected products for a specified period by providing notice to all Customers of such changes.
- H. From time to time the Company may offer a direct manufacturer’s rebate to customers. In such events, it shall not be a violation of this MAP Policy to advertise the availability of the manufacturer’s rebate, provided that:
 - a. Gift cards, coupons, points, or other incentives which are contingent on the purchase of a MAP Product will violate this MAP Policy when:
 - i. the effective or stated price of the bundle represents an immediate discount of greater than 15% of the MAP; or
 - ii. the effective or stated price of the bundle represents a discount of greater than 15% of the MAP after taking into consideration any future contingent purchase.
 - b. Rebate programs from The Company, whether on MAP Products or The Company’s partners’ products are exempt from this policy.

5. Policy Enforcement

- A. If a dealer with multiple store locations violates this MAP Policy at any one store location, or on any associated website, then the Company will consider this to be a violation by the dealer.
- B. The Company reserves the right to cancel any pending orders, restrict future orders, or suspend dealers’ account if the Company reasonably believes:
 - a. a dealer has violated the provisions of this policy; or
 - b. a dealer intends to violate this policy.
- C. The Company’s MAP Policy Administrator is solely responsible for determining whether a violation of the MAP Policy as occurred, as well as determining appropriate sanctions.
- D. Waivers to this MAP Policy may be granted in the Company’s sole discretion by the MAP Policy Administrator in writing. The Company Sales, Marketing, or other personnel are not authorized to modify or grant exceptions to the MAP Policy. If the MAP Policy Administrator authorizes a waiver to the MAP Policy, dealers must strictly adhere to the terms of the waiver letter. Deviation from the terms of a waiver letter is a violation of the MAP Policy.

- E. The Company monitors the advertised prices of dealers, either directly or via the use of 3rd party agencies or tools. Dealers are expected to provide reasonable cooperation in any The Company investigations regarding possible MAP Policy violations. Hindering, obstructing, delaying, or otherwise failing to cooperate with MAP Policy investigation is a violation of this MAP Policy.
- F. The MAP Policy will be enforced by the Company in its sole discretion and without notice. Dealers, Distributors, Customers, have no right to enforce the MAP Policy. Violations of this policy may result in any of the aforementioned sanctions up to and including termination of our business relationship, as well as any available remedies at law. All questions related to this MAP Policy should be directed to:
support@cbdnaturals.com

6. Additional Terms

A. Freight

All shipments are prepaid F.O.B. Missoula, MT Shipments will be made by best surface carrier or under special terms as requested by the Customer, who assumes any additional cost.

B. Terms & Payments

Payment terms are Credit Card or Bank Transfer or any other pre-approved from of C.O.D. made at the discretion of the Company.

C. Product Returns

Purchased merchandise cannot be returned for credit or exchange unless prior authorization is obtained from the Company. A restocking fee of 25% will be charged. All returns, including credits, exchanges, warranty or non-warranty returns must be accompanied by a Return Goods Authorization (RGA) issued by the Company.

D. Use of Trademarks

The Customer recognizes the Company's right, title, and interest in and to all service marks, trademarks, and trade names used by the Company and agrees not to engage in any activities or commit any acts, directly or indirectly, that may contest, dispute, or otherwise impair the Company's right, title, and interest therein, nor shall the Customer cause diminishment of value of said trademarks or trade names through any act or representation. The Customer shall not apply for, acquire, or claim any right, title, or interest in or to any such service marks, trademarks, or trade names, or others that may be confusingly similar to any of them, through advertising or otherwise. Effective as of the termination of this Agreement, the Customer shall cease to use all of the Company's trademarks, marks, and trade names.

E. Terms of Use Disclaimer

The Company does not claim its products are FDA approved. The Company does not sell or distribute any products that are in violation of the United States Controlled Substances Act (US CSA). The Company does grow, sell, and distribute imported hemp-based products. Attestation The Customer acknowledges that by clicking the acknowledgement box, the Customer agrees to the terms of this Agreement. The Company's attestation shall be completed upon the acceptance of the first product order by the Customer.