

Grovara Short-Form Agreement

GLOBAL BRAND MANAGEMENT TERMS

Activation Fee	\$5,000, guaranteed by Grovara*
Performance-Based Exclusivity	<u>No Upfront Wind-Down Provisions</u>
	<u>At 1st Sale</u> – 6 month wind-down in territory / retailer of the sale
	<u>At \$100K in Sales</u> – 6 months wind-down, 12 months non-compete non-circumvent for Grovara network buying partners
	<u>At \$500K in Sales</u> – 12 months wind-down, 2 years non-compete / non-circumvent for Grovara network buying partners

Additional Terms

1. Registration, Country Filing, Demurrage, and Listing Fees – All costs of registration, country filing, demurrage, and listing fees pass-through to Company with 10% Grovara processing fees
2. Shipment of Samples – Company covers up to \$2,000 per month of shipping sample expenses in the form of a refund to Grovara. Company will provide samples for domestic use at no cost to Grovara (from time to time on an as needed basis)
3. Marketing Support – Marketing Support to be determined by the Company. The Company understands that Grovara recommends a 12% accrual on sales for the first 3 years of going global
4. Brokerage Commission – Company pays 3% Management Fee For Any Active Accounts Turned Over to Grovara - no mark-up.

COMPANY

By: _____

Print Name: _____

Date: _____

Grovara LLC

By: _____

Print Name: Blake H. Engelhard

Date: _____

* see in section 3a below

Exclusive Distribution Agreement

This Short-Form Global Brand Management Agreement ("Agreement") is effective as of _____, 2018, ("Effective Date") by and between **Grovara LLC**, with an address at 3401 Market Street, Suite 201, Philadelphia, PA 19104 USA ("Grovara") and _____, with an address at _____ ("Company").

IN CONSIDERATION of the mutual covenants and conditions set forth below, and intending to be legally bound hereby, the parties agree as follows:

1. Appointment. Company hereby appoints Grovara as its sole and exclusive authorized seller and distributor of Company's products, including but not limited to those sold under the brand names _____, **and including the products set forth on Exhibit A, additional brands acquired by Company** and such other products as both parties may subsequently expressly agree to in writing ("Product(s)") **to all customers located in the following** _____; (the "Territory" as defined in Exhibit B) **and including the products set forth on Exhibit A** during the term of this Agreement. Company will transition any existing accounts in the Territory to Grovara and use commercially reasonable efforts to stop any other distribution partners from making international sales of Products there.
2. Grovara Obligations. Grovara shall use commercially reasonable efforts to promote and solicit sales orders for the Products in the Territory. Grovara will coordinate all necessary registrations, or other documentation required for compliance with each foreign country's import, customs acceptance, labeling, packaging or other applicable foreign trade laws for the distribution and sale of Company's Products into any given country within the Territory ("Import/Export Documentation"); provided Company provides to Grovara all necessary information, documentation and cooperation required and requested for such compliance and registrations. Terms of payment, place of delivery, shipping, transportation, insurance and other terms and expenses of delivery of Products shall be mutually agreed to by the parties in writing. Grovara shall use commercially reasonable efforts to manage all marketing for company product initiatives launched in the Territory.
3. Pricing; Compensation; Expenses. The Product domestic wholesale price list ("Price List") is attached hereto as **Exhibit A** and Company understands that from time to time there may be additional special discounts requested by Grovara for Territory markets that are hyper-price sensitive - such conversations will happen from time to time and be negotiated between Grovara and Company in good faith of what is in the best interest for the international welfare for the brands mentioned in Exhibit A.
 - a. Company agrees to allocate \$5,000 to Grovara at signing of this agreement. **Grovara guarantees this \$5,000 investment.** That is, in the event the Company's brand(s) do not realize \$50,000 in new international revenues in the first year after on-boarding, Grovara will reimburse the Company's initial \$5,000 payment in full.
 - b. Company will cover all expenses associated with registration in the territories which include: registration, country filing, demurrage, listing fees and any others identified by Grovara. Company will pay Grovara international processing fees for 10% of these expenses. Payments will be made within 30 days from when the expenses are incurred or as mutually agreed upon by both parties in writing.
 - c. Company agrees to reimburse Grovara up-to \$2000 per month for the actual and real expenses associated with the shipping of Company's samples, and / or other expenses related to the global brand development. Grovara will send an invoice within 30 days of the month the expenses are incurred. Reimbursements can be paid by check and / or credited to Grovara's account with Company. Company will provide samples for domestic use at no cost to Grovara from time to time on an as needed basis.
 - d. Company will pay brokerage commission of 3% of gross revenues for all prior, active accounts in the territory transitioned to Grovara.
 - e. Company acknowledges it is responsible for any marketing expenses and support as well as expenses of any in-country sales and / or marketing visits and understands that Grovara recommends a 12% accrual on all sales for overall marketing and sales support. Grovara will coordinate, distribute, and manage all marketing initiatives in conjunction with the Company.

- f. Company will provide to Grovara at least 120 days advanced written notice of any changes to this current attached Price List in **Exhibit A**.
4. **Company Obligations.** Company will provide Grovara with written confirmation of approval within one (1) business day following receipt of all purchase orders submitted to Company by Grovara or its agents. **Company will use commercially reasonable efforts to promptly and accurately fill all orders for Products solicited by Grovara and promptly notify Grovara upon discovery of any error or delay in fulfilling or shipping any Product order.** Company will use commercially reasonable efforts to provide Grovara or its agents with all documentation, information, and assistance that is required for compliance with all applicable laws or regulations (either of the United States or the specific locale in the Territory where the Product is being shipped to and/or sold) with respect to the import, export, distribution and sale of the Products or as otherwise required for the shipping, transport or delivery of the Product.

Upon request, Company shall promptly provide Grovara with marketing and promotional materials (brochures, flyers, etc.) to be used by Grovara to advertise, sell, promote or describe the Products in the Territory and the parties may agree to additional marketing allowances from time to time.

Company will provide Grovara with at least 120 days prior written notice of any change in ingredients, name of a Product, logo, trademark, or packaging of a Product. Company will promptly provide Grovara with sufficient amounts of new marketing and promotional materials for and samples of any such newly composed or designed Product. If Product is returned or rejected by a Customer or any government authority due to contamination or other defective condition or such Product's failure to conform to its specifications or warranties/claims (whether set for on such Products label or otherwise), Company shall pay Grovara for all costs and expenses incurred in connection with such return or disposition including, all shipping and transportation costs, customs, demurrage, the cost of disposal or destruction of the Products.

Company will provide Grovara with all leads received for the Territory.

5. **Trademarks.**
- a. Company grants Grovara a nonexclusive license during the term of this Agreement to use the trademarks, trade names, logos and other intellectual property rights of Company relating to the Products (collectively, "Company Trademarks") on its websites, in product catalogues and other marketing materials as necessary to promote Company's Products.
- i. On an on-going basis, a list of approved images, marketing materials, style-guides, and other Company Trademarks - will be provided to Grovara for proper public promotional initiatives and sales/marketing support.
- b. Company grants Grovara rights to file for Company Trademarks on behalf of Company. Company understands the importance of Intellectual Property and gives Grovara rights to register, manage, and own Company Trademarks.

"X": _____ (*Not Recommended*)

Initial: _____

- i. In the event there is an "X" in the field above, Company acknowledges that they are 100% responsible for all international intellectual property rights and Company Trademarks. Company understands that not properly filing international trade marks and other properties may cause future supply chain and registration problems.
- ii. Regardless of whether there is an "X" in the field above, Company holds Grovara (and any Grovara down-stream network buying partners) free from damages and lost revenues incurred due to intellectual property theft, infringement, and other conflicts.
6. **Term, Termination and Non-Circumvention Covenant.** The term of this Agreement shall begin on the Effective Date and shall continue for two (2) years and shall thereafter automatically renew for additional two (2) year periods unless written notice of non-renewal is provided to the other party at least one hundred and eighty (180) days prior to the expiration of the then current term. Company acknowledges that Grovara has proprietary international relationships with distributors, retailers, merchants, and other third-party participants (a

“Downstream-Buying Partner”). Company understands the following termination and relationship wind-down conditions in the event of a separation:

- a. Each territory and retailer covered by the wind-down will be defined in Exhibit B, this Exhibit will be updated on an as-needed-basis by either party and will represent active transacting regions and buyers.
- b. **Upon the submission of the first purchase order**, Company grants to Grovara exclusive international distribution rights in the territory of the purchase order and all locations of the downstream-buying partner outside of the USA. In the event Company intends to terminate its relationship with Grovara, Company agrees to provide Grovara six (6) months notice. This six (6) month period shall be known as the “Wind-Down Period”. During this Wind-Down Period, Grovara will retain exclusive distribution rights and Company will refrain from working with downstream-buying partners.
- c. **Upon the submission of \$100,000 in total purchase orders**, Company agrees to provide Grovara a one (1) year non-compete non-circumvent starting at the end of the Wind-Down Period for any active Grovara Downstream-Buying Partner who’s opportunity for the Company was initiated and / or managed by Grovara. During this time, Company shall not, directly or indirectly, contact, solicit or entertain offers from, negotiate with, provide product to, or transact any business with any active Grovara Downstream-Buying Partner who’s opportunity for the Company was initiated and / or managed by Grovara (the “Restricted Period”).
- d. **Upon the submission of \$500,000 in total purchase orders**, Company agrees to extend the Wind-Down Period to one (1) year and agrees to extend the Restricted Period to two (2) years.

Sections 6-9 and any payment obligations of Company for services performed by Grovara prior to the effective date of termination shall survive termination of this Agreement. In addition, Company agrees that in the event of the termination or expiration of this Agreement, Company shall not interfere with, seek to influence, alter, deliberately restrict, or in any way circumvent Grovara’s business or relationships with any of the Network Distributors during the Restricted Period (this includes rejecting purchase orders for closed-won-reoccurring opportunities & accounts).

At the point that Grovara obtains sales orders for Products in the Territory totaling in the aggregate one million dollars (\$1,000,000), upon Grovara’s request the Company and Grovara shall negotiate in good faith to enter into Grovara’s standard Export Sales Management Agreement. **Company acknowledges and agrees that the foregoing restrictions are reasonable and necessary for Grovara to protect its proprietary sales and distribution network.**

7. **Mutual Indemnification**. Each party shall indemnify, defend and hold harmless the other party, its subsidiaries and affiliates and each of their officers, directors, members, employees, attorneys and agents (an “Indemnatee”) of, from and against all third party actions, suits, demands, claims, damages (including, without limitation, damages for injury to property or persons and incidental and consequential damages), losses, deficiencies, liabilities, judgments, costs and expenses (including, without limitation, reasonable attorneys’ fees) (collectively, “Losses”) incurred by, asserted against or suffered by an Indemnatee as a result of, arising from or in connection with (i) any breach or alleged breach of any representation, warranty or covenant of the indemnifying party under this Agreement, or (ii) the indemnifying party’s bad faith, gross negligence or willful misconduct in performing under this Agreement. In addition, Company shall indemnify, defend and hold harmless Grovara, its subsidiaries and affiliates and all officers, directors, members, employees, attorneys and agents thereof of, from and against all third party Losses incurred by, asserted against or suffered as a result of, arising from or in connection with an allegation that any Product or Company Trademark or the sale or use or labeling thereof violates any applicable laws, infringes upon the intellectual property rights of a third party, or causes damage, personal injury or has otherwise harmed a third party, including, without limitation, any product liability or similar claims.
8. **LIMITATION OF LIABILITY**. GROVARA WILL NOT BE LIABLE FOR ANY LOST INCOME, PROFITS, SAVINGS, LOSS OF DATA, INCIDENTAL, INDIRECT, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR SPECIAL DAMAGES OF COMPANY, EVEN IF IT IS ADVISED OF THE POSSIBILITY OF OR COULD FORESEE SUCH DAMAGES. THE AGGREGATE LIABILITY OF GROVARA UNDER THIS

AGREEMENT WILL NOT EXCEED THE TOTAL COMMISSIONS PAID OR PAYABLE UNDER THIS AGREEMENT

9. Miscellaneous. This Agreement supersedes any previous agreements or understandings, whether oral, written or implied, heretofore in effect between Grovara and Company and sets forth the entire agreement between Grovara and Company. No modification or change may be made in this Agreement except in writing signed by both by parties. Neither party shall have any liability whatsoever to the other or be deemed to be in default of this Agreement as a result of any delay or failure in performance of its obligations to the extent that any such delay or failure arises from causes beyond the reasonable control of that party, including, but not limited to, earthquakes, hurricane, flood, fire or other acts of God, acts of any governmental authority, war (declared or undeclared), rebellion, riot, civil disorders, or national emergency, strikes, lock-outs, acts of civil or military authorities (including the denial or cancellation of any necessary license), power failure, criminal or malicious acts of third parties, unavailability of carriers or communications facilities, Internet and network disruptions. The validity and interpretation of this Agreement shall be governed and construed in accordance with the law of the Commonwealth of Pennsylvania, without reference to conflicts of laws principles. Grovara and Company agree to submit to the jurisdiction of the state and federal courts of located in Philadelphia, Pennsylvania. The failure or delay by a party to enforce any provision of this Agreement will not in any way be construed as a waiver of any such provision or prevent that party from thereafter enforcing any other provision of this Agreement. The provisions of this Agreement are separable. If any provision is held to be invalid or unenforceable, the other provisions will remain effective and enforceable to the greatest extent permitted by law. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile copies, pdf signatures and electronically signed signature pages will be deemed binding original signatures.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

COMPANY

Grovara LLC

By: _____

By: _____

Print Name: _____

Print Name: Blake H. Engelhard

Title: _____

Title: Director of Brands

Date: _____

Date: _____

EXHIBIT A

Initial Product Export Price List

[Company to provide]

EXHIBIT B

Territory

[To Be Amended From Time To Time By Company or Grovara]