

September 2021



PELLE NATURALE
INDEPENDENT SALES DISTRIBUTOR APPLICATION AND AGREEMENT

This Pelle Naturale Independent Sales Distributor Application and Agreement (“ISD Agreement”) is made by and between the undersigned (“Applicant” or “ISD”) and PN, Inc, a Wyoming corporation (“Company”), and, notwithstanding the application date above (which is for reference and convenience purposes only), will only become effective and binding on the date it is accepted by the Company and the Applicant has otherwise complied with all requirements of the Company, including placement and payment of an initial order (“Effective Date”). For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. **Independent Sales Distributor.** Upon acceptance of this ISD Agreement by Company, Applicant shall become an Independent Sales Distributor (“ISD”) and, subject to the Documents (as defined herein), have the non-exclusive right to: (i) conduct business as an ISD (“Retailer Business”); (ii) purchase PN products (“PN Products”) from Company at wholesale; (iii) use the Marks and Intellectual Property of the Company pursuant to the License set forth herein; (iv) sell PN Products to retail consumers as a Retailer Business; (v) sponsor other ISDs; (vi) participate in the Leadership Compensation Plan; (vii) access and use the online environment, if any, provided by the Company for access and use by ISDs to assist ISDs in conducting their Retailer Businesses (“Back Office”); and (viii) receive such other benefits as are made available by the Company to ISDs.

2. **Conduct of Retailer Businesses.** ISDs shall conduct their Retailer Business in accordance with this ISD Agreement and the Documents. Retailers shall comply with all applicable federal, state, local, and community laws, rules, ordinances, and regulations, including homeowner and community association rules and regulations, in the conduct of their Retailer Businesses and otherwise. ISDs shall promptly and timely pay for all purchases of PN Product from the Company.

3. **Independent Contractor.** ISDs shall be independent contractors in accordance with the provisions of Sections 2750.5 and 3353 of the Wyoming Labor Code, and any corresponding provisions of the law of any other state or jurisdiction, and not an employee, franchisee, representative, agent, joint venture, or partner of the Company. This ISD Agreement shall not create an employer-employee relationship and shall not constitute a hiring of such nature by any party. As the Company is a wholesale seller of PN Products, and as ISDs are in the business of retail sales of PN Products, it is understood that ISDs perform work that is outside the usual course of the Company’s Business. ISDs do not purchase a franchise or business opportunity from the company. An ISD shall not be treated as an employee for federal, state or local tax purposes. Subject to the provisions of this Agreement, each ISD is responsible for paying all applicable local, state and federal taxes due from all income earned as an ISD as well as any business license or any other similar taxes or fees required by any governing agency. ISDs have no authority (express or implied) to bind the Company to any obligation. ISDs shall establish the ISDs own goals, inventory levels, and working hours.

4. Taxes. **ISDs ARE NOT, AND SHALL NOT BE TREATED AS, EMPLOYEES OF COMPANY FOR FEDERAL OR STATE TAX PURPOSES OR ANY OTHER PURPOSES WHATSOEVER.** ISDs shall be responsible for and pay ISDs own self-employment taxes, estimated tax liabilities, business equipment or personal property taxes, and other similar obligations, whether federal, state, or local. The Company shall not pay or withhold any FICA, SDI, federal, or state income tax or unemployment insurance or tax or any other amounts because the relationship of the parties hereto is not that of employer-employee, but that of independent contractor. ISDs shall be solely responsible for the payment of all taxes, withholdings and other amounts due in regard to ISDs own employees, if any.

5. **Grant of License.** The Company possesses licensable interests in certain trademarks registered and/or pending with the United States Patent and Trademark Office pertaining to the Pelle Naturale mark, logos associated with the Pelle Naturale mark, and other trademarks associated with the Pelle Naturale mark (hereinafter collectively referred to as the “Marks”). The art, designs, and graphics of the PN Products, the sales aids and promotional material provided by the Company, the literature and communications of the Company, and the content of all Company-sponsored events are copyrighted material. So long as the ISDs are in good standing and not in default under this ISD Agreement or the Documents, the Company grants, and the ISDs accept, a non-exclusive, royalty- free, non-sublicensable, non-transferable, non-assignable limited sublicense (“License”) to use the Marks and the permitted intellectual property of the Company (hereinafter referred to as the “Intellectual Property”) in the continental United States, Alaska, Hawaii, and such U.S. territories and possessions as are approved in writing by the Company (“License Territory”), subject to the terms and conditions of this ISD Agreement and the Documents. The grant of License hereunder is subject to the following:

a. ISDs may use the Marks and Intellectual Property of the Company only in the conduct of their Retailer Business in the retail sale of PN Products to retail Consumers in the License Territory;

b. ISDs shall not use the Marks or Intellectual Property of the Company in any manner that would injure the reputation of the Pelle Naturale brand, the Company, the Marks, the Intellectual Property of the Company, or which would adversely impact or reflect negatively upon the Marks or otherwise cause an Event of Default under this ISD Agreement;

c. In addition to the foregoing, and specific to use of the Marks on the internet, ISDs may only use the word “Pelle Naturale” in a website domain name if it appears alongside all or part of the ISDs name consisting of first name, last name, first and last names together, or a personal nickname. An ISDs maiden or unmarried name may be used in place of the last name the ISD uses in this ISD Agreement. If an ISD registers with the Company through a Business Entity (as defined in the Policies and Procedures) rather than as an individual, the name of the Business Entity may be used, subject to the other restrictions contained herein. In addition to the mandatory inclusion of a name, an ISD may optionally use other words, such as “by,” “with,” “the,” “shop,” “store,” An ISDs initials (e.g., DS, AB, JTR, etc.) may not be used in place of one of the other name formats stated above. ISDs may not reference geographic locations in their domain names. An ISDs domain name cannot falsely suggest sponsorship or affiliation with the Pelle Naturale Home Office, adversely impact the Company or the Pelle Naturale brand, create the possibility of the domain name being interpreted as something other than an ISDs Retailer Business webpage, or be otherwise misleading. The Company maintains full discretion in determining whether a domain name is impermissible or otherwise exceeds the scope of this License;

d. ISDs shall, subject to the terms and conditions of this ISD Agreement, and to the extent commercially reasonable, place the symbol “®” next to and above each use of the Marks which are registered with the

United States Patent and Trademark Office, and place the symbol “™” next to and above each use of all other Marks;

e. ISDs shall not register, or attempt to register, or aid or assist third parties in registering, the Marks or any other mark that is confusingly similar to the Marks, including any registration in the United States Patent and Trademark Office, the United States Copyright Office, or any Secretary of State’s office or any governmental entity or agency worldwide;

f. ISDs shall not remove, deface, or destroy any copyright, patent notice, trademark, service mark, other proprietary markings, or confidential or protective legends placed on, within, or associated with the Marks or any Intellectual Property of the Company. The Company reserves the right to place, or require ISDs to place, any such copyright, patent notice, trademark, service mark, other proprietary markings, or confidential or protective legends on the Marks or any Intellectual Property of the Company, at the sole discretion of the Company. ISDs shall promptly comply with any of the foregoing as may be reasonably required by the Company;

g. ISDs may not produce for sale or distribution any Intellectual Property of the Company, including recorded Company events and speeches, without written permission from the Company, nor may ISDs reproduce for sale or for personal use any recording of Company- produced audio or video tape presentations;

h. Title to the Intellectual Property of the Company, and all items derived therefrom, is reserved to the Company. ISDs acknowledge and agree that the Company is and shall remain the owner of the Intellectual Property of the Company to the exclusion of all others. ISDs shall take no acts inconsistent with the foregoing. All use of the Intellectual Property of the Company by ISDs and any and all goodwill developed therefrom shall inure to the benefit of and be on behalf of the Company; and

i. ISDs may not transfer, assign, sell, pledge, or hypothecate, or purport to transfer, assign, sell, pledge, or hypothecate, this ISD Agreement, the License, or any interest in the Marks or Intellectual Property of the Company, of any nature, or any interest whatsoever of ISDs in any of the foregoing.

6. No Warranties. THE COMPANY MAKES NO WARRANTIES REGARDING THE PN PRODUCT. THE COMPANY MAKES NO WARRANTIES HEREUNDER, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

7. Disclaimer. THE TERMS AND CONDITIONS SET FORTH IN THIS ISD AGREEMENT ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

8. Limitation of Remedies. ISDs AGREE THAT THEIR EXCLUSIVE REMEDIES, AND THE COMPANY’S ENTIRE LIABILITY WITH RESPECT TO THE LLR PRODUCT, SHALL BE AS SET FORTH IN THIS IFR AGREEMENT AND THE DOCUMENTS. IFRs FURTHER AGREE THAT THE COMPANY SHALL NOT BE LIABLE TO ISDs FOR ANY DAMAGES, INCLUDING ANY LOST PROFITS, LOST SAVINGS, OR OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OR INABILITY TO USE THE LLR PRODUCT OR THE BREACH OF ANY EXPRESS OR IMPLIED WARRANTY, EVEN IF IFRs HAVE BEEN ADVISED OF THE POSSIBILITY OF THOSE DAMAGES.

9. Discontinuation and Amendments. The Company may, at its sole discretion, create, amend, or discontinue any compensation, bonus, commission, or incentive plan or program, including the Leadership Compensation Plan. ISDs shall have no vested interest in any such plan or program, provided, however, the Company may not change the terms or conditions regarding compensation for any PN Product sold by ISDs. This ISD Agreement and the Documents (including the Leadership Compensation Plan, PN Price List, and/or the pricing structure of the Company) may, subject to the terms and conditions of this ISD Agreement and the Documents, be amended at the sole discretion of the Company. Amendments shall become effective thirty (30) days after notification to the ISD, but amendments shall not apply retroactively to conduct that occurred prior to the effective date of the amendment. Once notified, the ISD may accept or reject any amendment. If the ISD rejects an amendment, this ISD Agreement, including the License hereunder, will be cancelled and the ISD will no longer be eligible to conduct a Retailer Business, use any Marks or Company Intellectual Property, receive Leadership Compensation payments, or purchase PN Products from the Company at wholesale. If after notice of any amendment the ISD continues to conduct a Retailer Business, use Company Marks or Intellectual Property, purchase or sell PN Products, accept Leadership Compensation payments, attend Company educational programs or other events, or sponsor new ISDs, such actions shall be deemed ratification and acceptance of any amendment. Notwithstanding the foregoing, the Company may require ISDs to accept and agree to be bound by any amendment by electronic signature pursuant to the E-Sign Laws, or otherwise.

10. Sales Territories. The Territory shall consist of the continental United States, Alaska, Hawaii and such U.S territories and possessions as are approved in writing by the Company. Th territory is non-exclusive and the Company does not maintain or enforce exclusive sales areas or territories for the benefit of ISDs.

11. Income Claims. ISDs may not, unless expressly authorized by the Company, make income projections, income claims, or disclose the Leadership Compensation of the ISD or other ISDs, including, but not limited to, the showing of checks, copies of checks, bank statements, or tax records which relate to Retailer Business income or Leadership Compensation to demonstrate the earning potential of ISDs or otherwise. Additionally, when presenting or discussing the Company, PN Products, this ISD Agreement, the Leadership Compensation Plan, or any other Document or matter pertaining to the foregoing, ISDs must provide the disclosures contained in the most current Company Income Disclosure Statement, if any, and any other disclosure provided or required by the Company for such purposes. The Company does not pay any compensation, bonus, or commission for soliciting or referring potential ISDs.

12. Certain Costs and Expenses. Unless expressly agreed in writing otherwise, Company shall not provide any travel, equipment, sales materials, or services or other items for the benefit of ISDs or Retailer Businesses. ISDs shall, at their own expense, provide and make arrangement for all travel, equipment, sales materials (except sales and resources expressly provided by the Company, if any), services, and other items necessary to conduct their Retailer Businesses and perform their duties hereunder. ISDs shall be responsible for payment of their own costs and expenses.

13. Incorporation of Other Documents. The undersigned acknowledges that the undersigned has read and shall comply with the Policies and Procedures, Leadership Compensation Plan, and other similar applicable documents and instruments as published by the Company from time to time (“Documents”), all of which are incorporated into and made a part of this ISD Agreement. Reference to this ISD Agreement shall include reference to the Documents unless the context indicates otherwise. This ISD Agreement and the Documents specifically exclude Company guidelines. The most current Documents may be accessible via the ISDs Back Office, at the discretion of the Company.

14. **E-Sign Laws.** ISDs may execute this ISD Agreement pursuant to the Electronic Signatures in Global and National Commerce Act (15 U.S.C. § 7001 et seq.) and any similar state laws (collectively "E-Sign Laws"). Accordingly, this ISD Agreement constitutes an electronic record in satisfaction of the provisions of 15 U.S.C. §7006(4) and the E-Sign Laws. ISDs acknowledge that this ISD Agreement is capable of retention by the recipient at the time of receipt in satisfaction of the E-Sign Laws. ISDs acknowledge that ISDs are able to access, print and/or store this ISD Agreement pursuant to the E-Sign Laws.

15. **Term of ISD Agreement.** The initial term of this ISD Agreement shall be from the date that this ISD Agreement is accepted by the Company until December 31 of that year, subject to earlier cancellation hereunder. Thus, the initial term of this ISD Agreement likely may be shorter than one (1) calendar year under most circumstances. When this ISD Agreement renews, it will renew without lapse or interruption under the most current version or amendment of this ISD Agreement then published by the Company and the controlling ISD Agreement between the ISDs and the Company shall be the most currently published ISD Agreement. It is the intent of the Company that upon renewal hereof all ISDs be a party to the most current ISD Agreement. All ISDs will be provided at least thirty (30) days to accept or reject the renewal of this ISD Agreement. Accordingly, if any event or circumstance should occur so that automatic expiration on December 31 and automatic renewal on January 1 would provide less than thirty (30) days prior notice of the new ISD Agreement, the expiration and renewal date shall be extended so that all ISDs are provided at least thirty (30) days to accept or reject the new ISD Agreement. Thereafter, this ISD Agreement shall expire on December 31 and automatically renew on January 1 of each subsequent consecutive calendar year without lapse or interruption, subject to earlier cancellation and the terms and conditions of this ISD Agreement. Notwithstanding anything herein, the Company reserves the right to elect not to renew any ISD Agreement at any time, with or without cause; provided that the Company provide at least thirty (30) days' prior notice of its election not to renew an ISD Agreement. The most current ISD Agreement will be published and made available in the Back Office. ISDs shall read and adhere to the most current ISD Agreement, and, if they are unable to locate the most current ISD Agreement, will request the most current ISD Agreement in writing from the Company.

16. **Voluntary Cancellation of ISD Agreement.** All ISDs may voluntarily cancel this ISD Agreement and their participation as an ISD at any time, regardless of reason. Cancellation must be submitted online to the Company pursuant to the online processes established by the Company or in writing to the Company at its principal business address. The written notice must include the ISDs signature, printed name, address, and ISD I.D. Number.

17. **Default.** Any of the following events shall constitute an event of default hereunder ("Event of Default"):

- a. The failure by an ISD to make full or timely payment when due of any sum as required to be paid to the Company under this ISD Agreement or otherwise;
- b. The failure by an ISD to fully or timely perform any covenant, agreement, obligation or duty pursuant to this ISD Agreement or the Documents, whether now existing or herein after made;
- c. The filing by an ISD of any petition, or commencement by an ISD of any proceeding, under the Bankruptcy Act or any state insolvency law, with regard to a Retailer Business or otherwise;
- d. The making by an ISD of any general assignment for the benefit of creditors;

- e. The filing by an ISD of a voluntary or involuntary application for or appointment of a receiver with regard to a Retailer Business or otherwise;
- f. The filing by an ISD of any petition, or commencement of any proceeding, under the Bankruptcy Act or any state insolvency law, against an ISD or a Retailer Business, or the appointment of any receiver or trustee, which petition, proceeding or appointment is not fully and completely discharged, dismissed, or vacated within sixty (60) days;
- g. The occurrence of any such petition and or application naming an ISD or Retailer Business which then results in entry of an order for relief in any such adjudication or appointment or remains undismissed, undischarged, or unbonded for a period of ninety (90) days;
- h. The issuance of any cease or desist order or other similar order against an ISD or Retailer Business or any of the shareholders, principals, partners, directors, officers, employees, agents, representatives, attorneys, heirs, successors, or assigns of the foregoing by any state or other jurisdiction;
- i. The liquidation of an ISD that is a Business Entity or of a Retailer Business;
- j. The substantial cessation of a Retailer Business by an ISD for a material amount of time;
- k. The dissolution of an IFR that is a business entity:
- l. The insolvency of an ISD as evidenced by the inability of such shareholder to meet its ordinary obligations as they become due;
- m. The sale, acquisition, merger, reorganization, or recombination of any principal, shareholder, or partner of an ISD that is a Business Entity having substantially the same effect as liquidation or dissolution of an ISD or ISD Business whether or not such principal, shareholder or partner may be legally liquidated or dissolved, except as may be specifically set forth otherwise herein; or
- n. the occurrence of any other act or circumstance which could reasonably lead the Company to feel in good faith that its interest hereunder, or any other right it may have with regard to an ISD or Retailer Business, may be prejudiced or jeopardized.

18. **Effect of Event of Default.** ISDs agree that immediately upon the occurrence of any Event of Default, whether or not an ISD receives notice of termination, the ISD shall immediately and promptly rectify all such deficiencies to the reasonable satisfaction of the Company pursuant to the cure provisions set forth herein. Upon termination of this ISD Agreement, after full application of all applicable cure periods, the license granted hereunder shall immediately terminate and the Company's obligations under this ISD Agreement shall cease.

19. **Cure Period.** Notwithstanding anything contained herein, ISDs shall have a period of thirty (30) consecutive days to cure and rectify, to the reasonable satisfaction of the Company, any Event of Default or other claim or assertion that any conduct or act or omission of an ISD or a Retailer Business or use of the Marks or Intellectual Property of the Company would injure the Pelle Naturale brand, the reputation of the Company, and/or of the Marks or Intellectual Property of the Company.

20. Termination of Agreement. Upon the termination of this ISD Agreement, an ISD shall immediately cease holding the ISD as an authorized Pelle Naturale Retailer or ISD and immediately cease all use and activities with regard to their Retailer Business and the Marks and Intellectual Property of the Company, as set forth in this ISD Agreement and the Documents, and the License granted hereunder shall terminate and all interest of an ISD in and to Marks and Intellectual Property of the Company hereunder shall immediately terminate

21. Remedies in Event of Default. Upon the occurrence of an Event of Default, in addition to any and all other remedies at law or in equity available to the Company, the Company shall have the following rights and remedies, and an ISD hereby authorizes and empowers the Company, at the Company's option and without notice to an ISD, except as specifically herein provided (and, to the extent necessary, hereby irrevocably appoints the Company as an ISD's attorney-in-fact for such purposes) to perform the following acts:

- a. Avail itself of and enforce any right, remedy, or remedial action set forth in this ISD Agreement or the Documents;
- b. Immediately suspend this ISD Agreement including any License granted hereunder, without notice to the ISD; provided, however, that the obligation of an ISD to pay any due but unpaid fees or payments to the Company shall survive any such suspension;
- c. Immediately terminate this ISD Agreement, including any License granted hereunder, without notice to the ISD; provided, however, that the obligation of an ISD to pay any due but unpaid fees or payments to the Company shall survive any such termination; or
- d. Avail itself of and enforce any other right or remedy available in equity or at law.

22. Cumulative Remedies. Except as otherwise provided above, and subject to the limitations on personal liability expressly set forth herein, every right, power, and remedy herein, including remedial actions, given to the Company shall be cumulative in addition to every other right, power, and remedy specifically given or now or hereafter existing in equity or at law; and each and every right, power, and remedy, whether specifically given herein or otherwise existing, may be exercised from time to time and so often and in such order as may be deemed expedient by the Company, and the exercise, or the beginning of the exercise, of any such right, power, or remedy shall not be deemed a waiver of the right to exercise, at the same time or thereafter, any other right, power, or remedy. ISDs hereby waive any and all rights ISDs may have to require the Company to proceed in any particular manner against an ISD or any collateral in which the Company may have an interest, or to pursue any other particular remedy the Company may be entitled to exercise.

23. Special Remedies. Notwithstanding anything in this ISD Agreement, the Company reserves the right to immediately terminate this ISD Agreement (and the Documents) without notice in the event that any ISD misrepresents PN Products or the Company, or the acts of an ISD cause a negative impact on the Pelle Naturale brand or the business or reputation of the Company. Notwithstanding anything herein, the Company reserves the right to cancel this ISD Agreement upon thirty (30) days' notice in the event Company elects to: (i) cease business operations; (ii) dissolve as a Business Entity; or (iii) terminate the distribution of all PN Products.

24. **Compensation Payments.** If any ISD is in breach, default, or violation of or under this ISD Agreement or the Documents at the time of cancellation of this ISD Agreement, such ISD shall, subject to applicable law, not be entitled to receive further compensation, whether or not the sales for such compensation have been completed. ISDs agree that the Company may deduct, withhold, set-off, or charge to any form of payment ISDs have previously authorized, any amounts any ISD may owe the Company or for which an ISD may be indebted to the Company.

25. **Confidentiality.** ISDs acknowledge that ISDs will have access to information that is not generally known to the public, treated as confidential and proprietary by the Company, and reasonably protected by the Company from disclosure, including the Agreement (as defined herein), the guidelines of the Company, samples, pre-production units, prototypes, fabrics, descriptions, sketches, patterns, prints, art, graphics, drawings, concepts, and/or plans with respect to existing and proposed PN Products, wholesale pricing, minimum advertised Pricing, sourcing, Company operations and strategies, Company marketing, Company plans, Company practices, Company financial matters, and Company modeling, projections, and forecasts (“Confidential Information”). Confidential Information shall also include ISD genealogy reports and the identities of Retailer T.E.A.M.s, and Lines, but shall exclude the identities of Personally Sponsored ISDs (as defined in the Documents), which shall not constitute Confidential Information. Confidential Information is subject to the further exceptions herein. Confidential Information shall not include any information which: (i) was publicly known and made generally available in the public domain prior to the time of disclosure by the Company to the ISD; (ii) becomes publicly known and made generally available after disclosure by the Company to the ISD through no action or inaction of the ISD; (iii) is already legally in the possession of the ISD at the time of disclosure by the Company as shown by the ISDs files and records prior to the time of disclosure; (iv) is obtained by the ISD from a third party without a breach of such third party’s obligations of confidentiality; or (v) is independently developed by the ISD without use of or reference to the Company’s Confidential Information. Confidential Information is, or may be available, to ISDs in their respective Back Offices or otherwise. Confidential Information constitutes proprietary information and business trade secrets belonging to the Company. Such Confidential Information is provided to ISDs in strictest confidence. ISDs may not use any Confidential Information for any purpose other than for the conduct and operation of their Retailer Businesses, compliance with this Agreement (including the Documents and the License), or as expressly permitted by the Company in writing (“Purpose”). Notwithstanding, an ISD may not disclose the Confidential Information to any third party, including any other ISDs, unless reasonably required to accomplish or carry out the Purpose. All ISDs receiving the Confidential Information are subject to the confidentiality provisions of this Agreement, including Documents. ISDs acknowledge that the Confidential Information constitutes trade secrets of Company within the meaning of and pursuant to the Uniform Trade Secrets Act set forth at Wyoming chapter 24 title 40, et seq., and specifically, without limitation, Wyoming §40-24-101, as well as under the law of any other jurisdiction in which ISDs reside and/or conduct business. The parties further acknowledge that this ISD Agreement and the Documents constitute reasonable efforts of Company to protect and maintain the secrecy and confidentiality of the Confidential Information. The obligation of an ISD to not disclose any Confidential Information hereunder shall survive for a period of two (2) years after the cancellation or expiration of this ISD Agreement.

26. **Non-Circumvention.** ISDs shall not, subject to the terms and conditions of this ISD Agreement and the Documents, directly or indirectly, contact, communicate with, solicit, or conduct any business or enter into any transactions or associations of any economic value with any parties identified in, derived from, or obtained by reason of the Confidential Information, or otherwise identified or provided by the Company, without the prior written consent of Company. ISDs shall not derive any economic benefit from any transaction between any parties identified in, derived from, or obtained by reason of the Confidential

Information or otherwise identified or provided by the Company and any third party, without the prior written consent of the Company. ISDs shall not use any third party intermediaries or other devices to avoid or defeat the foregoing non-circumvention covenants.

27. Competing Programs and Products. ISDs may conduct or participate in businesses selling or promoting non-PN Products, but they may not conduct or participate in businesses selling items competing with the PN Products, which shall include clothing, garments, apparel, and all other items similar to or competing with PN Products sold by the Company at wholesale, now or in the future, which are subject to the Leadership Compensation Plan. To the extent that ISDs may sell or promote non-PN Products, ISDs may not, except as permitted by the Company in writing: (i) hold non-PN Products out as PN Products; (ii) sell or promote non-PN Products as sponsored or endorsed by the Company; (iii) state or imply that non-PN Products are covered under the Pelle Naturale Policy, Limited Warranty, or any other similar program of the Company; or (iv) sell non-PN Products through or in any way using Wix or any other sales or technology system provided by the Company. Subject to the foregoing, ISDs may style non-competing non-PN Products together with PN Products. ISDs shall be solely responsible for the conduct of any business selling or promoting non-PN Products and the Company shall not be responsible or liable with regard to any such business or activity. The indemnification set forth in this ISD Agreement and/or the Documents shall include claims regarding other businesses and non-PN Products. During the term of the ISD Agreement, and for a period of twelve (12) calendar months thereafter, ISDs may not sell, offer to sell, or promote any competing non-PN Products to any ISDs, and shall not use any Marks or Intellectual Property of the Company for such purposes. This provision shall survive the cancellation or expiration of the ISD Agreement as set forth herein.

28. Solicitation. During the term of this ISD Agreement, the ISD may not directly or indirectly recruit or solicit any ISD (excluding ISDs who are Personally Sponsored, as defined in the Documents) in or to any other business or business program, and shall not use any Marks or Intellectual Property of the Company for such purposes. Following the cancellation of this ISD Agreement (including the Documents), and for a period of twelve (12) calendar months thereafter, the former ISD may not recruit or solicit any such ISD in or to any other business or business program, and shall not use any Marks or Intellectual Property of the Company for such purposes. ISDs and the Company recognize that because ISDs are independent contractors dispersed across the entire Territory (as defined herein and in the Documents), and Retailer Businesses are commonly conducted as Social Retail via the internet which has an international reach, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, the ISD and the Company agree that this non-solicitation provision shall apply to the entire United States and to all international markets, if any, in which ISDs are located or conduct Retailer Businesses, subject to the exceptions set forth herein, if any. This provision shall survive the cancellation or expiration of this ISD Agreement as set forth herein.

29. Third Party Beneficiaries. Nothing in this ISD Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this ISD Agreement on any person other than the parties to it and their respective successors and permitted assigns, if any, except as set forth herein. Nothing in this ISD Agreement is intended to relieve or discharge the obligation or liability of any third person to any party to this ISD Agreement, except as set forth herein, nor shall any provision give any third person any right of subrogation or action over or against any party to this ISD Agreement, except as set forth herein.

30. Entire Agreement. This ISD Agreement and the Documents constitute the entire agreement between ISDs and the Company pertaining to the subject matter contained herein and therein and supersede all

prior and contemporaneous agreements, representations, and understandings of the parties. To the extent that the terms or conditions of any of the Documents incorporated into this ISD Agreement by reference conflict with the terms or conditions of this ISD Agreement, the terms and conditions of this ISD Agreement shall control except as to Sections 9.1, 9.2, 9.3, 9.4, and 9.5 of the Policies and Procedures, which shall control over any conflicting terms or conditions in this ISD Agreement. No waiver of any of the provisions of this ISD Agreement shall be deemed, or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver. The term “days” as used herein shall mean consecutive calendar days unless indicated otherwise. As used herein, the word “including” may mean “including without limitation” or “including but not limited to,” depending on the context.

31. **Waiver.** The Company never relinquishes its right to insist on strict compliance with this ISD Agreement or the Documents. Failure of the Company to exercise any right or power under this ISD Agreement or the Documents or to insist upon strict compliance of any portion of this ISD Agreement or the Documents shall not constitute a waiver of its right at any time to insist on such compliance. The Company’s waiver of any particular matter or breach shall not impair or affect its rights in regard to any subsequent matter or breach, nor shall it affect in any way its rights or obligations in relation to any breach by other ISDs. No waiver shall be deemed a continuing waiver and the Company may rescind or modify any waiver at any time with or without notice. A waiver by the Company shall not constitute an amendment of this ISD Agreement or the Documents. ISDs may not rely upon any waiver and acknowledge that a waiver may be rescinded or modified at any time with or without notice. The existence of any claim or cause of action of an ISD against the Company shall not constitute a defense to the Company’s enforcement of any term or provision of the Agreement or the Documents.

32. **Survival.** Notwithstanding any provision in this ISD Agreement to the contrary, the obligation of ISDs regarding confidentiality and non-circumventions and non-solicitation shall survive for so long as the Company may, in its sole discretion, consider the Confidential Information to be confidential. If any provision of this ISD Agreement shall, for any reason, be held unenforceable, such provision shall be severed from this ISD Agreement, and such severed provision shall be reformed only to the extent necessary to make it enforceable. The invalidity of such severed provision, however, shall not affect the enforceability of any other provision herein, and the remaining provisions shall remain in full force and effect.

33. **Specific Performance.** The obligations of ISDs under this ISD Agreement and the Documents are unique in that the same constitute personal services. If ISDs should default in their obligations under the terms of this ISD Agreement or the Documents, the parties each acknowledge that it would be extremely impracticable to measure the resulting damages. Accordingly, the Company, in addition to any other available rights or remedies, may bring an action in equity for specific performance, without the necessity of posting bond or other security, and ISDs expressly waive the defense that a remedy in damages will be adequate and the requirement of a bond or other security.

34. **Assignment.** ISDs may not assign this ISD Agreement (or the Documents) or any rights hereunder without the prior written consent of the Company. Any attempt to transfer or assign this ISD Agreement (or the Documents) or any rights under this ISD Agreement without the express written consent of the Company shall render this ISD Agreement (and the Documents) voidable at the option of the Company.

35. **Indemnification.** The Company, its parent or affiliated companies, directors, officers, shareholders, members, managers, employees, assigns, and agents (collectively “affiliates”), shall not be liable for, and

ISDs release, indemnify, defend, and hold harmless the Company and its affiliates from, all claims for consequential and exemplary damages for any claim or cause of action relating to this ISD Agreement or the Documents. ISDs further agree to release, indemnify, defend, and hold harmless the Company and its affiliates from all liability arising from or relating to ISDs promotion or operation of their Retailer Businesses and any activities related thereto and any matters set forth herein (e.g., the presentation of PN Products or the Leadership Compensation Plan, the determination, collection, remittance, or reporting of sales tax, the operation of a motor vehicle, the use of any home or facility for Pop-Up Boutiques, or other sales activities, the lease or use of meeting or other facilities, etc.), and agree to indemnify and defend the Company and its affiliates regarding any liability, damages, fines, penalties, or other awards arising from any unauthorized conduct that ISDs undertake in operating Retailer Businesses or otherwise.

36. Choice of Law and Venue. The Laws of the State of Wyoming, without reference to or application of conflict of laws principles, shall govern such matters relating to or arising from this ISD Agreement and the Documents as set forth herein. Jurisdiction and venue shall reside exclusively in Wyoming, or other stipulated JAMS location.

37. Consent to Jurisdiction. The parties consent to the limited jurisdiction of the Wyoming Supreme Court as set forth herein, and agree that any action or proceeding between the parties related to this ISD Agreement or the Documents shall be brought in, and only in, the Wyoming Supreme Court in Cheyenne County, but shall be limited to matters contesting arbitrability, or pertaining to interim relief or enforcement of arbitration awards. Each party irrevocably submits to such limited exclusive personal jurisdiction and venue and waives any objection based on improper venue or forum non conveniens.

38. Mediation. Prior to instituting arbitration as provided herein, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to this ISD Agreement or the Documents through non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. The mediation shall conclude within sixty (60) days from the date on which the mediator is appointed. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least ten (10) days in advance of commencement of the mediation. Each party shall pay its own attorney's fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in Cheyenne Wyoming Supreme Court, Wyoming, and shall last no more than two (2) consecutive business days. All parties waive any right to join, participate in, or consolidate claims in mediation with others or to make claims in mediation as a representative or as a member of a class or collective action, unless such procedures are agreed to in writing by all parties or are otherwise required by law. The mediator shall have no authority or jurisdiction to make a mediation determination or otherwise suggest relief on a class, collective, or representative basis. No mediation proceeding will be combined with another without the prior written consent of all parties to all affected proceedings. If any portion of this class action waiver is deemed unenforceable, then that portion will be severed with the remainder remaining in full force and effect.

39. Arbitration. If mediation is unsuccessful, any controversy or claim between the parties, including, but not limited to claims arising out of or relating to this ISD Agreement, or the breach hereof, shall be determined by arbitration before a single arbitrator. The arbitration shall be filed with, and administered by, JAMS pursuant to its Streamlined Arbitration Rules and Procedures. All claims and disputes subject or related to this ISD Agreement or the Documents must be arbitrated as individual claims. All parties waive any right to join, participate in, or consolidate claims in arbitration with others or to make claims in

arbitration as a representative or as a member of a class or collective action, unless such procedures are required by law. The arbitrator shall have no authority or jurisdiction to enter an award or otherwise provide relief on a class, collective, or representative basis. No proceeding will be combined with another proceeding without the prior written consent of all parties to all affected proceedings. If any portion of this class action waiver is deemed unenforceable, then that portion will be severed with the remainder remaining in full force and effect.

Notwithstanding the Streamlined Arbitration Rules and Procedures of JAMS, the following shall apply to all arbitration actions:

- a. The Wyoming Rules of Evidence shall apply in all cases, subject to the time limits set forth herein;
- b. The parties shall be entitled to all discovery rights permitted by the Wyoming Rules of Civil Procedure, subject to the time limits set forth herein;
- c. The arbitration hearing shall commence within six (6) months from the date on which the arbitrator is appointed and the arbitration hearing shall be fully and finally completed in no more than a total of six (6) business days over a period of no more than two (2) consecutive weeks from the date of commencement of the hearing, unless the parties agree or stipulate otherwise, and notwithstanding the governing Arbitration Rules and Procedures;
- d. The parties shall be allotted equal time to present and close their respective cases, including cross-examinations;
- e. No arbitration, action, or claim shall be consolidated or combined with any other arbitration, action, or claim, for any purpose, even where such arbitrations, actions, or claims may contain common questions of law or fact;
- f. As a part of the agreement to arbitrate, all parties will forego any right they may have to a jury trial;
- g. The parties do not waive and specifically retain a right to appeal in a court of competent jurisdiction any determination or award of an arbitrator made in contravention of the above class waiver, including a determination that: (i) a claim may proceed as a class, collective, or representative action; or (ii) awards relief on a class, collective, or representative basis; and
- h. Notwithstanding anything herein, the mediation, arbitration, and dispute resolution provisions applicable to the Company hereunder shall also be applicable to, and be enforceable by, the Company's members, managers, directors, officers, employees, representatives, licensors, affiliates, and agents, including Pelle Naturale, PN, and Pelle Naturale LLC

40. Location of Arbitration. Except as provided below for Louisiana residents, all arbitration proceedings shall be held in Cheyenne, Wyoming, unless the parties agree or stipulate otherwise. There shall be one arbitrator selected from the panel that JAMS provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees, subject to applicable Law. The decision of the arbitrator shall be final and binding on the parties except as otherwise set forth herein, and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitrate shall survive the termination, cancellation, or expiration of the Agreement. Notwithstanding

the foregoing, nothing in this ISD Agreement or the Documents shall prevent any party from applying to and obtaining provisional relief from any court having jurisdiction, including writs of attachment, temporary injunctions, and/or preliminary injunctions.

41. Confidentiality of Mediation and Arbitration. The parties, the mediator, the arbitrator, the arbitration administrator, JAMS, and all related persons and entities shall maintain the confidentiality of the entire mediation and arbitration process and shall not disclose to any person not directly involved in the mediation or arbitration process, and shall not verbally or in writing, discuss, publish, or otherwise disseminate, including disclosure on the internet or on any social media or blogging platform, prior to, during, or after the arbitration proceedings, any of the following:

- a. The substance of, or basis for, the controversy, dispute, or claim;
- b. The content of any pleadings, testimony, or other evidence presented at a mediation or arbitration hearing or obtained through discovery in arbitration;
- c. The terms or amount of any mediation results or arbitration award; or
- d. The findings of a mediator or the rulings of the arbitrator on the procedural and/or substantive issues involved in the case.

Notwithstanding the foregoing, the parties and their counsel shall be free to interview potential witnesses and to otherwise reasonably investigate their claims and defenses and to disclose such information concerning the parties' dispute as is necessary for such purpose.

42. Time Limitation. If an ISD desires to bring an action against the Company for any act or omission relating to or arising from this ISD Agreement or the Documents, such action must be brought within one (1) year from the date of the alleged conduct giving rise to the cause of action, or the shortest time permissible under state law. Failure to bring such action within such time shall bar all claims against the Company for such act or omission.

43. Louisiana Residents. Notwithstanding the foregoing, any mediation or arbitration proceeding between the Company and a Louisiana resident ISD shall be held in Baton Rouge, Louisiana, and shall be governed by Louisiana law.

44. Louisiana, Massachusetts, and Wyoming Residents. Should a resident of Louisiana, Massachusetts or Wyoming cancel this ISD Agreement (including the Documents), the Company will refund ninety percent (90%) of any administrative fees incurred by such ISD during the current year upon receipt of written request for the same.

45. Maryland Residents. Should a resident of Maryland cancel this ISD Agreement (including the Documents) for any reason within three (3) months after the date of receipt of goods or services first ordered, upon cancellation the Company will repurchase the goods and the repurchase price shall be at least ninety percent (90%) of the original price paid by the participant.

46. Montana Residents. A Montana resident may cancel this ISD Agreement (including the Documents) within fifteen (15) days from the Effective Date, and may return their initial order for a full refund.

47. **Puerto Rico Residents.** A resident of Puerto Rico may cancel this ISD Agreement (including the Documents) at any time within ninety (90) days from the Effective Date, or at any time upon showing the Company's noncompliance with any of the essential obligations of this ISD Agreement (including the Documents) or any act or omission by the Company adversely affecting the interests of the ISD in development of the market of the of the PN Products or services. Such cancellation must be sent to the Company in writing and sent via registered mail. If an ISD cancels under these conditions, the Company shall: (i) reacquire the total of the PN Products that the ISD purchased from the Company which are in the ISDs possession and in good condition at a price of not less than ninety percent (90%) of their original net cost; (ii) return to such ISD not less than ninety percent (90%) of the original net cost of any services that the ISD acquired from the Company; (iii) return ninety percent (90%) of any sum paid by such ISD for the purpose of participating in the business.

48. **Washington Residents.** The following provisions shall pertain to ISDs who are residents of the State of Washington, notwithstanding any other provisions in this ISD Agreement or the Restated Policies and Procedures:

a. A Washington ISD who voluntarily cancels their ISD Agreement within forty-five (45) days of the date of their enrollment may return their entire initial inventory of PN Products for a full refund and the Company shall pay for any shipping costs associated with such return;

b. The Company shall repurchase, at the request of a Washington ISD, all currently marketable inventory of PN Products within 1 (one) year of the date of its purchase from the Company, and the refund shall not be less than ninety percent (90%) of the original net cost, less any consideration received by the Washington ISD when the Washington ISD purchased the PN Products being returned. PN Products shall not be considered currently marketable if returned for repurchase after the commercially reasonable usable or shelf life of the PN Products has passed, or if it has been clearly disclosed to the Washington ISD buyer that the PN Products are seasonal, discontinued, or special promotion items that are not subject to repurchase;

c. If the Company determines an PN Product is ineligible for a refund, the Company shall return the PN Product to the Washington ISD at the Washington ISDs request and pay for any associated shipping costs;

d. Beginning in January 2021, the Company shall not deduct from any refund amount retail sales made by a Washington ISD;

e. The Company shall not deduct from any refund amount compensation paid by the Company to a Washington ISD, unless such compensation was received by a Washington ISD when the Washington ISD bought the PN Products being returned; and

f. Prior to the completion of a purchase of PN Product by a Washington ISD from the Company, for any purchase that involves seasonal, discontinued, special promotion products, or any other PN Product not subject to the Return on Cancellation of Business Policy, the Company shall disclose that the purchase involves PN Products not subject to repurchase and a Washington ISD must acknowledge the disclosure in order to continue with the purchasing process.

49. **Use of Name and Likeness.** ISDs hereby grant to the Company an irrevocable royalty-free license to use their name, photograph, likeness, personal story, testimonial, and/or Retailer Business history or

information in advertising and promotional materials and waive all claims for remuneration for such use. ISDs waive any right to inspect or approve the same prior to publication by Company.

50. **Words, Phrases, and Terms.** The words, phrases, and terms used herein shall have the meaning(s) set forth or defined herein. If the words, phrases, and terms used herein are not defined herein, they shall have the meaning(s) set forth or defined in the Documents.