

UKVB TERMS AND CONDITIONS

Customer Information

| Date of Agreement | |
|----------------------------|----------------|
| | |
| Customer Name ("Customer") | |
| Customer Registered Office | |
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| | |
| | |
| Customer Company Number | |
| Customer Trading Address | |
| ("Premises") | |
| | |
| | |
| | |
| | |
| Customer VAT Number | |
| Customer Contact Name | |
| Customer Contact Telephone | |
| Customer Contact Email | |
| | |
| Type of Account | UKVB Wholesale |
| | |
| Start Date | |
| | |
| Special Conditions | |



PARTIFS

- (1) UK VAPOUR BRANDS LIMITED, incorporated and registered in England and Wales with company number 07814632 whose registered office is at c/o Totally Wicked, Stancliffe Street, Blackburn, BB2 2QR ("Company")
- (2) Customer as set out on the Customer Information Sheet

AGREED TERMS

1. INTERPRETATION

1.1 The definitions and rules of interpretation in this clause apply in this agreement.

Business: the business of the sale and supply of electronic cigarettes and all associated products and accessories carried on by the Company.

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

Confidential Information: any information which is disclosed to the Customer by the Company pursuant to, or in connection with, this agreement (whether orally or in writing and whether or not such information is expressly stated to be confidential), or which otherwise comes into the hands of the Customer in relation to the Business or the Products other than information which is already in the public domain (otherwise than as a result of a breach of any obligation of confidentiality).

Premises: as per the Customer Information sheet.

Products: All products offered for sale by the Company as the same may, from time to time, be amended by the Company (and such other products as shall, from time to time, be notified by the Company to the Customer).

Start Date: as per the Customer Information sheet.

Term: the term of this agreement as provided in clause 3

Trade Marks: the trade marks and service marks set out in Schedule 1 and any other trade marks registered by the Company in relation to the Business from time to time.

VAT: value added tax chargeable under the Value Added Tax Act 1994 and any similar replacement or additional tax.

- 1.2 A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and that person's personal representatives, successors or permitted assigns.
- 1.3 Words in the singular shall include the plural and vice versa
- 1.4 A reference to one gender shall include a reference to the other genders.
- 1.5 A reference to any party shall include that party's personal representatives, successors or permitted assigns.
- 1.6 A reference to a statute or statutory provision is a reference to it as it is in force as at the date of this agreement
- 1.7 A reference to "this agreement" or to any other agreement or a document referred to in this agreement is a reference to this agreement or such other document or agreement as varied or notated (in each case, other than in breach of the provisions of this agreement) from time to time.
- 1.8 References to clauses and Schedules are to the clauses and Schedules of this agreement; references to paragraphs are to paragraphs of the relevant Schedule.
- 1.9 This agreement shall include the terms set out in Schedules 1.
- 1.10 Any phrase introduced by the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2. RIGHTS GRANTED

- 2.1 In consideration of the obligations on the part of the Customer contained in this agreement, the Company grants the Customer license to:
- (a) use the Trade Marks in respect of the Customer's business selling vaping products from the Premises, during the Term.

3. TERM

3.1 This agreement begins on the Start Date and, shall continue after that until terminated by either party giving at least 1 weeks' prior written notice.

4. COMPANY'S OBLIGATIONS

The Company shall at all times during the Term:

- (a) provide the Customer with such know-how, advice and guidance relating to the Business as it thinks fit; and
- (b) supply the Products to the Customer subject to availability on the Company's standard terms and conditions applicable at the date of placing the order.

5. CUSTOMER'S OBLIGATIONS

The Customer at all times during the Term, shall:

- (a) not do anything that could or might in the sole opinion of the Company bring the Business or Trade Mark's into disrepute or damage the reputation of the Business or Trade Marks:
- (b) obtain, maintain and comply with all necessary licenses and consents and comply

with all relevant legislation in relation to selling the Products;

- (c) comply with ordering procedures as required by the Company;
- (d) not license any other person to use the Trade Marks;
- use only packaging in connection with the sale of the Products as has been supplied or approved by the Company; and
- (f) Not sell any Products supplied by the Company to anyone under the age of 18.

6 TRADE MARKS

- 6.1 The Company hereby grants to the Customer the non-exclusive right, at the Premises to use the Trade Marks in the promotion, advertisement and sale of the Products, subject to, and for the duration of, this agreement.
- 6.2 The Products shall be sold under the Trade Marks. On all Products, packets and advertisements for the Products, the Customer shall display such symbols as the Company shall require.
- 6.3 All representations of the Trade Marks that the Customer intends to use shall be submitted to the Company for approval before use.
- 6.4 The Customer shall not, without the prior written consent of the Company, alter or make any addition to the labelling or packaging of the Products displaying the Trade Marks. The Customer shall not alter, deface or remove any reference to the Trade Marks, any reference to the Company or any other name displayed on the Products or their packaging or labelling.
- 6.5 The Customer shall not sub-license, transfer or otherwise deal with the rights of use of the Trade Marks granted under this agreement.
- 6.6 The Customer shall not do, or omit to do, anything in its use of the Trade Marks that could adversely affect their validity.

7. CONFIDENTIALITY

- 7.1 The Customer undertakes that they shall not at any time during this agreement, and for a period of 5 years after termination of this agreement, copy, use or disclose to any person any Confidential Information, except as permitted by this agreement.
- 7.2 The Customer may disclose Confidential Information:
- (a) to the employees, officers, representatives or advisers of the Customer who need to know such information for the purposes of carrying out its obligations under this agreement. The Customer shall ensure that the employees, officers, representatives or advisers of the Customer to whom the Confidential Information is disclosed comply with this clause 7; and
- (b) as may be required by law, court order or any governmental or regulatory authority.
- 7.3 No party shall use the Confidential Information for any purpose other than to exercise its rights and perform its obligations under this agreement.

8. ORDER AND GOODS

- 8.1 The order is as per that raised by the Customer on the Company's websites or as per any Sales Order prepared by the Company and confirmed by the Customer ("Order"). The Customer is responsible for ensuring that the terms and content of the order are accurate.
- 8.2 The goods are as listed from time to time by the Company.

9. PRICE AND PAYMENT

- 9.1 The Price is as set out in the Order, or, if no price is quoted, the price set out in the Company's standard wholesale price list in force on the Order date.
- 9.2 Payment is due in full at the time of Order unless invoice terms have been mutually agreed between parties.

10. DELIVERY

- 10.1 The Company shall deliver to the location set out in the Order, or such other location as the parties may agree ('Delivery Location').
- 10.2 Delivery of the Goods will be completed on the Goods' arrival at the Delivery Location.
- 10.3 Any dates quoted for delivery are approximate only, and the time of delivery is not of the essence. The Company shall not be liable for any delay in the delivery of Goods that is caused by a Force Majeure Event or the Customers' failure to provide the Company with adequate delivery or other relevant instructions.

11. INSPECTION AND RECEIPT

1.1 Unless the Customer has inspected the Goods and given written notice to the Company within two working days after delivery that the Goods do not comply with the relevant specifications, the Goods are deemed to have been accepted in good order and condition.

12. CANCELLATION

12.1 No order may be cancelled, modified or deferred without the prior written consent of the Company (which is at the Company's sole discretion). If such consent is given it is, at the Company's election, subject to the Company being reimbursed all losses.



13. LIMITATION OF LIABILITY

- 13.1 The Customer must be aware of the following and ensure all end user and related marketing is informed as necessary:
 - (a) The vast majority of the Company's e-liquids contain nicotine. Nicotine is a highly toxic and addictive poison. Nicotine containing e-liquids are only intended for use by committed smokers of legal smoking age, and they are not intended for use by non-smokers, children, women who are pregnant, or may become pregnant, or by any person with an elevated risk of, or pre-existing condition of, any medical condition which includes, but is not limited to, heart disease, diabetes, high blood pressure, emphysema, or asthma. Should a user experience any side effects, or possible side effects, they should stop using the product immediately and consult a qualified healthcare physician.
 - (b) The Company's E-liquids and related inhalation devices are NOT provided as smoking cessation products, and they have not been approved by the FDA, EMA or the MHRA for this purpose. The Company's e-liquids and related inhalations devices are not intended to treat. prevent. or cure, any disease, condition or addiction.
 - (c) E-liquids may be lethal if ingested; with a highly increased risk of fatality present should they be accidentally consumed by children. In the event of accidental ingestion, medical advice should be sought immediately and the physician shown the bottle from which the product was consumed. All Company nicotine-containing products must be safely locked away in a child-proof cabinet (or other highly secured area) when not in use, and they must be kept out of the reach of children, the infirm and animals at all times.
- (d) Skin contact with the Company's e-liquids must be avoided wherever possible. If the product comes into direct contact with the skin, the affected area must be washed immediately with copious amounts of running water. If the product comes into contact with the eyes, the affected area must be rinsed immediately with copious amounts of running water and medical advice sought.
- 13.2 Whilst every measure has been taken to make the Company's packaging child-proof and all appropriate explicit warnings and cautions explicitly provided on packaging and labelling, the Company cannot be held responsible for any personal injury caused to any third-party arising from, or attributable to, a failure to comply with the warnings and instructions as listed in subsection 6.1, and its corresponding paragraphs, or from any failure to use the product as intended.
- 13.3 The Company's electronic cigarettes and e-liquids are classified by the Company as a group of products known as recreational nicotine delivery systems, and must only be marketed as such. Any unsubstantiated health and/or smoking cessation benefit claims must be avoided in their entirety.
- 13.4 Nothing in these Conditions shall limit or exclude the Company's liability for:
 - (a) death or personal injury caused by its negligence, or the negligence of its employees, agents or subcontractors (as applicable);
 - (b) fraud or fraudulent misrepresentation;
- (c) breach of the terms implied by Consumer Rights Act 2015; or
- (d) defective products under the Consumer Protection Act 1987.
- 13.5 Subject to clause 13.4:
 - (a) the Company shall under no circumstances whatsoever be liable to the Customer for any losses or damage which may be suffered by the Customer (or any person claiming under or through the Customers), whether the same are suffered directly or indirectly or are immediate or consequential, and whether the same arise in contract, tort (including negligence), breach of statutory duty, or otherwise howsoever including those, which fall within any of the following categories (without limitation);
 - special damage, even if the Company was, or should reasonably be expected to be, aware of the circumstances in which such special damage could arise;
 - (ii) loss of profits;
 - (iii) loss of anticipated savings;
 - (iv) loss of goodwill.
- 13.6 The Company's total aggregate liability to the Customer in respect of all other losses arising under or in connection with the Contract, whether in contract, tort (including negligence), breach of statutory duty, or otherwise shall in no circumstances exceed the price of the Goods supplied under the Contract.
- 13.7 All references to "the Company" in this clause 13 shall, for the purpose of this clause, be treated as including all employees, subcontractors and director's of the Company, and any associated companies of the Company, all of whom shall have the benefit of the exclusions and limitations of liability set out in this clause.

14. WARRANTY

- 14.1 All hardware comes with a 3 month parts warranty, unless stated otherwise in the individual product listings or manual, this does not cover any atomizer heads, wire or wicking material. The Company is not responsible for any damage through improper use or coil builds. Mains chargers and USB leads have a 12-month warranty, which covers the component parts; this does not cover damaged wiring or improper use.
- 14.2 Electronic cigarette atomizers and batteries, although made to the highest quality, will fail or degrade over a period of time. An electronic cigarette atomizer's expected lifespan is

- around 3-14 days depending on usage and an electronic cigarette battery's expected lifespan is 3 to 6 months. All replacement atomizer heads are sold as a single use disposable items and are covered by our DOA (dead on arrival) warranty. This means, that from date of receipt the buyer has 48 hours to report any faults.
- 14.3 The warranty in clause 14.1 to 14.2 does not apply to any defect in the Products arising from fair wear and tear, wilful damage, abnormal storage or working conditions, accident, negligence by the user or by any third party, failure by the user to operate the Products in accordance with the user instructions, failure by the user to carry normal maintenance of the Products including regular cleaning of components and connectors or any alteration or repair by the user or a third party who is not one of our authorised repairers.
- 14.4 This warranty is in addition to, and does not affect, end users legal rights in relation to Products that are faulty or not as described.
- 14.5 Point of Sale Stands and e-liquids are not covered by any Company warranty.

15. RETURNS POLICY

15.1 Where the Customer exchanges or refunds warrantied goods, the Customer shall return the defective item to the Company within 28 days of exchange or refund taking place. The defective items shall be returned to the Company along with original proof of purchase (by the end user) and proof of exchange or refund signed by the end user evidencing that it was exchanged or refunded within the warranty period. Returned items will also include a simple description of the fault identified by the Customer as reason for the return or exchange.

16. PRODUCT LIABILITY

- 16.1 The Customer shall, as soon as it becomes aware of a matter which may result in a claim being made against the Company for damage to property, death or personal injury arising from any fault or defect in the materials or workmanship of the Products:
 - a) give the Company written notice of the details of the matter;
 - (b) give the Company access to and allow copies to be taken of any materials, records or documents as the Company may require to take action under clause 16.1(c);
 - (c) allow the Company the exclusive conduct of any proceedings and take any action that the Company requires to defend or resist the matter, including using professional advisers nominated by the Company; and
 - (d) not admit liability or settle the matter without the Company's written consent.
- 16.2 The Customer undertakes to maintain appropriate, up-to-date and accurate records to enable the immediate recall of any Products or batches of Products from the retail or wholesale markets. These records shall include records of deliveries to customers (including batch numbers, delivery date, name and address of customer, telephone number and e-mail).
- 16.3 The Customer shall give any assistance that the Company shall reasonably require to recall, as a matter of urgency, Products from the retail or wholesale market.

17. TITLE AND RISK

- 17.1 The risk in the Goods shall pass to the Customer on completion of delivery. Title to the Goods shall not pass to the Customer until the Company has received payment in full for the Goods and any other goods and services that the Company has supplied to the Customer in respect of which payment is due.
- 17.2 If before title to any Goods has passed to the Customer, the Company reasonably believes that the Customer may be or is subject to any insolvency proceedings (administration, liquidation, company voluntary arrangement, individual voluntary arrangement or bankruptcy), then the Company may enter any premises of the Customer or any third party where the Goods are stored to recover them.

18. CONSEQUENCES OF TERMINATION

- 18.1 Any termination or expiry of this agreement shall not affect any rights or liabilities that have accrued prior to such termination.
- $18.2\,$ On termination or expiry of this agreement for any reason, the Customer shall:
- (a) immediately pay the Company the full amount of all sums due from the Customer to the Company together with any interest payable in accordance with clause 26; and
- (b) cease to trade using any of the Trade Marks, and not hold the Customer out as a Customer of the Company or do anything that may indicate any relationship between them and the Company other than selling Products for which the Customer has already paid and which, at the date of termination, the Customer had contracted to provide to a third party.

19. ENTIRE AGREEMENT

- 19.1 This agreement and any documents referred to in it constitute the whole agreement between the parties and supersede any previous arrangement, understanding or agreement between them relating to the subject matter of this agreement.
- 19.2 If there is an inconsistency between the terms of this agreement, or any other documents referred to in it, the terms of this agreement shall prevail.
- 19.3 Each party warrants to the other parties that, in entering into this agreement and the documents referred to in it, it does not rely on any statement, representation, assurance or warranty (Representation) of any person (whether a party to this



- agreement or not) other than as expressly set out in this agreement or those documents
- 19.4 Each party agrees and undertakes to the other parties that the only rights and remedies available to it arising out of, or in connection with, a Representation shall be solely for breach of contract, in accordance with the provisions of this agreement.
- 19.5 Nothing in this clause shall limit or exclude any liability for fraud.

20. VAT AND TAXES

- 20.1 All sums payable under this agreement, or otherwise payable by any party to any other party under this agreement are exclusive of any VAT chargeable on the supplies for which such sums (or any part of them) are the whole or part of the consideration for VAT numbers.
- 20.2 Where, under this agreement, any party makes a supply to any other party (Recipient) for VAT purposes and VAT is or becomes chargeable on that supply for which the supplying party is required to account to the relevant tax authority, the Recipient shall, subject to the receipt of a valid VAT invoice, pay the supplying party (in addition to, and at the same time as, any other consideration for that supply) the amount of such VAT.
- 20.3 Where the Customer is a VAT registered business in an EU country (not the UK), then the Customer shall provide to the Supplier their VAT registration number and a copy of their VAT registration certificate. Upon acceptance of these documents, the Supplier may zero-rate sales to the Customer for VAT purposes.
- 20.4 Where any party is required by this agreement to reimburse or indemnify any other party for any cost or expense, that first party shall reimburse or indemnify the other party for the full amount of the cost or expense, including any VAT on that amount, except to the extent that the other party is entitled to credit or repayment for that VAT from any relevant tax authority.
- 20.5 All taxes, charges, levies, assessments and other fees of any kind imposed on the purchase of the Products shall be the responsibility of, and for the account of, the Customer

21. ASSIGNMENT

- 21.1 This agreement is personal to the Customer who may not, without the prior written consent of the Company, assign, transfer, mortgage, charge, declare a trust of, subcontract, delegate or deal in any other manner with this agreement or any of their rights and obligations under it (or any document referred to in it).
- 21.2 The Company may, at any time, assign (absolutely or by way of security and in whole or in part), transfer, mortgage, charge or deal in any other manner with the benefit of any or all of any other party's obligations or any benefit arising under this agreement.
- 21.3 Each party to this agreement is acting on its own behalf and not for the benefit of another person.

22. THIRD PARTY RIGHTS

A person who is not a party to this agreement shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement, but this does not affect any right or remedy of a third party which exists, or is available apart from that Act.

23. NO PARTNERSHIP OR AGENCY

Nothing in this agreement is intended to, or shall be deemed to, establish any partnership or joint venture between any of the parties, nor constitute any party the agent of another party, nor authorise any party to make or enter into any commitments for or on behalf of any other party.

24. FORCE MAJEURE

24.1 A party, provided that it has complied with the provisions of clause 32 shall not be in breach of this agreement, nor liable for any failure or delay in performance of any obligations under this agreement (and the time for performance of the obligations shall be extended accordingly) arising from or attributable to acts, events, omissions or accidents beyond its reasonable control (Force Majeure Event).

25. NO SET-OFF

All amounts due under this agreement shall be paid in full without any deduction or withholding other than as required by law. Neither party shall be entitled to assert any credit, set-off or counterclaim against the other in order to justify withholding payment of any such amount in whole or in part.

26. DEFAULT INTEREST

If the Customer fails to pay any amount payable by it under this agreement, the Company may charge the Customer interest on the overdue amount. The Customer shall pay the interest immediately on demand, from the due date up to the date of actual payment, after as well as before judgment, at the rate of 4% per annum above the base rate for the time being of HSBC Bank Plc. Such interest shall accrue on a daily basis and be compounded quarterly.

27. SEVERANCE

27.1 If any court or competent authority finds that any provision of this agreement (or part of any provision) is invalid, unenforceable or illegal, that provision or part- provision shall, to the extent required, be deemed to be deleted, and the validity and enforceability of the other provisions of this agreement shall not be affected unless, in the reasonable

inion of the Company, the purpose of this agreement is frustrated as a result.

27.2 If any invalid, unenforceable or illegal provision would be valid, enforceable and legal if some part of it were deleted, the provision shall apply with the minimum modification necessary to make it legal, valid and enforceable and, to the greatest extent possible, to give effect to the commercial intention of the parties.

28. VARIATION

No variation of this agreement or of any document referred to in it shall be effective unless it is in writing and signed by the parties (or their authorised representatives).

29. WAIVER

No failure or delay by a party to exercise any right or remedy provided under this agreement or by law shall constitute a waiver of that (or any other) right or remedy, nor shall it preclude or restrict the further exercise of that or any other right of remedy. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that (or any other) right or remedy.

30. COUNTERPARTS

This agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall constitute an original of this agreement, but all the counterparts shall together constitute the same agreement.

NOTICES

- 31.1 A notice or other communication given to a party under or in connection with this agreement:
- (a) shall be in writing;
- (b) shall be signed by or on behalf of the party giving it;
- (c) shall be sent to the party for the attention of the person at the address set out in this agreement, (or to such other as that party may notify to the others, in accordance with the provisions of this clause); and
- (d) shall be:
 - (i) delivered personally; or
 - (ii) sent by commercial courier; or
 - (iii) sent by pre-paid first class post or recorded delivery.
- 31.2 The provisions of this clause shall not apply to the service of any proceedings or other documents in any legal action.

32. GOVERNING LAW AND JURISDICTION

- 32.1 This agreement, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by and construed in accordance with the law of England and Wales.
- 32.2 The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with, this agreement or its subject matter or formation (including non-contractual disputes or claims).

This agreement has been entered into on the date stated at the beginning of it.

| Mark | Application/ Registration No. |
|---|--|
| Odyssey | UK - 3077251 EU - 14732143 |
| Titus | UK - 3102501 EU - 13908504 |
| TECC (logo) | EU - 11901311 US - 86118382 |
| UKVB | UK - 3126714 |
| Mark (For use in the United Kingdom only) | Application/ Registration No. |
| Joyetech | UK - 2587445 EU - 10335041 INT - 1203253 EU - 10334936 EU - 10334861 |
| JOYETECH | UK - 2587443 INT - 1203246 |
| eGo-T | 2602690 |
| eGo-C | 2600614 EU - 10325306 |
| eGo-C Changeable | 2600616 EU - 10325322 |
| wismec | EU - 13636584 |
| eLeaf | INT - 1185446 INT - 1153330 |
| ismoka | EU - 13766639 |

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|---|---------------|
| Signed by | |
| for and on behalf of UK VAPOUR BRANDS LIMITED | Head of Sales |
| | |
| | |
| Signed by | <u></u> |
| for and on behalf of the Customer | Director |