



RE: U.S. Authorized Seller Program Announcement

Dear Valued Licensees,

To protect the Cariloha® brand and the integrity of our authorized distribution channels in the United States, Cariloha, LLC ("Cariloha") is announcing and implementing a U.S. Authorized Seller Program effective February 1, 2023.

Among other benefits, our Authorized Seller Program will ensure that sellers of Cariloha products take the steps necessary to ensure product quality and provide the excellent customer service that is integral to the reputation of our brand. Additionally, the Authorized Seller Program will assist us in identifying and taking action against unauthorized sellers that are harming you and consumers through the sale of damaged, diverted, and otherwise low-quality products.

You are valuable partners in the authorized sale of Cariloha products, and we know that you strive to provide the high-quality products and customer service which consumers expect from our brand. As we launch the Authorized Seller Program, we wanted to take this opportunity to remind you of our brand protection requirements, attached here, applicable to all authorized sellers of Cariloha products. To be clear, we are not amending or renegotiating the terms of your License Agreement as part of this launch.

Thank you for your ongoing support of Cariloha.

Sincerely,

Cariloha, LLC

CARILOHA RETAIL SHOWROOM BRAND PROTECTION REQUIREMENTS
Effective Date: February 1, 2023

The defined terms used here have the same meaning as set forth in the License Agreement.

- You are authorized to sell Cariloha Proprietary Products (called the “Products” in these requirements) only to “End Users”, which means any purchaser of the Products who is the ultimate user and who does not intend to resell the Products to any third party. Please do not sell or transfer a quantity of the Products to any individual greater than that typically purchased for personal use.
- Conduct your business in a reasonable and ethical manner and do not engage in any deceptive, misleading, or unethical practices. Do not make any warranties or representations about the Products except as authorized by Cariloha. Information regarding product warranties and other benefits is available on the www.cariloha.com website.
- Comply with all instructions provided by Cariloha regarding the storage, handling, shipping, disposal, or other aspect of the Products, including instructions provided on Product tags, labels, and/or associated literature. Store Products in a cool, dry place, away from direct sunlight, in an environment where the Products and the Products’ packaging are not susceptible to soiling, punctures, rust, mold, or mildew.
- Sell Products with their original labels, tags and/or associated literature and in original retail packaging (if any). Relabeling, repackaging (including the separation of paired or bundled Products or the pairing or bundling of Products), and other alterations to Products or their packaging, tags and/or associated literature are not permitted.
- Do not remove, translate, or modify the contents of any label or literature on or accompanying the Products. Do not tamper with, deface, or otherwise alter any serial number, UPC code, lot code, or other identifying information on Products or their packaging.
- Do not represent, advertise, or resell any Product as “new” that does not have original labels, tags, and/or associated literature accompanying the Product, or that may have been, or appears to have been, worn, used, washed, altered, and/or is otherwise not in its original state as received from Cariloha.
- If any Qualifying Defective Product or Non-Qualifying Defective Product is identified, do not offer the Product for sale and promptly report the issue to Cariloha at onlineservice@cariloha.com or in accordance with Cariloha’s Return Policy.
- Be familiar with the special features of all Products marketed for sale and obtain sufficient Product knowledge to advise customers on the selection and use of the Products, as well as any applicable warranty, guarantee, or return policy. Be available to respond to customer questions and concerns both before and after sale of the Products and respond to customer inquiries promptly. Contact Cariloha if you are unable to answer a customer’s question or concern regarding the Product.
- Do not permit orders to be fulfilled in any way that results in the shipped Product coming from stock other than your own unless you have entered into a drop-shipment arrangement with Cariloha.
- Do not use any third party to store inventory or fulfill orders for the Products without Cariloha’s separate consent.

- Cooperate with Cariloha with respect to any Product tracking systems that may be implemented from time to time, any Product recall, or any other consumer safety information dissemination efforts.
- Report to Cariloha any customer complaints or adverse claims regarding the Products and assist Cariloha in investigating any accompanying investigations.