

PLEASE READ THESE TERMS AND CONDITIONS CAREFULLY BEFORE PLACING YOUR ORDER.

If you make a wholesale purchase via this website, you are agreeing to comply with and be bound by the following terms and conditions (the **Agreement**), as well as the terms and conditions of our [Privacy Policy](#), [Website Terms and Conditions](#) and [Website Disclaimer](#), which together, govern our relationship with you.

By applying for a wholesale account and/or placing an order for CANNABELLA products as a wholesale customer, you accept and agree to be bound by the terms of this Agreement.

For the purposes of this Agreement, “us”, “our”, “we” and “CANNABELLA” refers to CANNABELLA AUSTRALIA PTY LTD and “Stockist”, “you” and “your” refers to the legal entity specified in your Wholesale Account Application Form.

We may modify and update the terms of this Agreement at any time, without notice. You need to ensure you review the terms of this Agreement from time to time.

Operative Provisions

1. Definitions and interpretation

1.1 In this Agreement, unless the contrary intention appears:

Agreed Premises means the Stockist's trading premises specified in the Wholesale Account Application Form, or such other premises as we approve in writing after the date of this Agreement.

ASIC means the Australian Securities and Investment Commission.

Australian Consumer Law means Schedule 2 of the *Competition and Consumer Act 2010* (Cth).

Business Day means a day other than a Saturday or Sunday and that is not a public holiday or a bank holiday in Australia.

Commencement Date means the date the Stockist places its first order under the terms of this Agreement.

Confidential Information means all data and information, in written, electronic or any other form, belonging or relating to a party, any of its related companies, its or their products, business, business plans, business manuals, affairs, activities, employees, agents, suppliers, customers, customer lists, costs, prices, databases and any other lists, any document item or information marked or otherwise deemed "confidential", and any information which a party has been informed is confidential or which a party

might reasonably expect the other party to regard as confidential.
Controller has the meaning given in section 9 of the Corporations Act.

Corporations Act means the *Corporations Act 2010* (Cth).

Displays means fixtures, fittings (including branded installation units) and other promotional materials or signage confirming authorised stockist status, provided by us for the display of the Goods.

Force Majeure means a circumstance beyond the reasonable control of the parties including, but not limited to, acts of God, lightning strikes, earthquakes, floods, storms, explosions, fires and any natural disasters and acts of war, acts of public enemies, terrorism, riots, civil commotion, malicious damages, sabotage and revolution, breakages of machinery and strikes.

Goods means CANNABELLA branded products, together with any other products supplied by or on behalf of CANNABELLA which we may expressly permit the Stockist to market and sell from the Agreed Premises from time to time.

Insolvency Event means the happening of one or more of the following events:

- (a) a liquidator, provisional liquidator, Controller or any similar official is appointed to, or takes possession or control of, all or any of the Stockist's assets or undertaking;
- (b) an administrator is appointed to the Stockist, a resolution that an administrator be appointed to the Stockist is passed or proposed, or any other steps are taken to appoint an administrator to the Stockist;
- (c) the Stockist enters into, or resolves to enter into, an arrangement, compromise or composition with any of, or any class of, its creditors or members, or an assignment for the benefit of any of, or any class of, its creditors, or process is filed in a court seeking approval of any such arrangement, compromise or composition;
- (d) a reorganisation, moratorium, deed of company arrangement or other administration involving one or more of the Stockist creditors is proposed or effected;
- (e) any action is taken by ASIC with a view to the Stockist's deregistration or dissolution, or an application is made to ASIC that any such action be taken;
- (f) the Stockist is insolvent within the meaning of section 95A of the

Corporations Act, as disclosed in its accounts or otherwise, states that it is unable to pay its debts or it is presumed to be insolvent under any applicable law;

(g) as a result of the operation of section 459F(1) of the Corporations Act, the Stockist is taken to have failed to comply with a statutory demand;

(h) the Stockist stops or suspends or threatens to stop or suspend the payment of all or a class of its debts or the conduct of all or a substantial part of its business; or

(i) any event or circumstance set out in section 461 of the Corporations Act occurs in relation to the Stockist.

Intellectual Property means rights in relation to Confidential Information, Trade Marks, domain names, business names, goodwill and reputation, designs, patents, copyright, processes, methods, inventions, product formulations and all other rights or forms of protection having an equivalent or similar nature or effect whether within or outside Australia, whether registered or unregistered and including all rights of action, powers and benefits of the foregoing.

POS Materials means advertising and sales promotion materials relating to the Goods, including posters, testers, and artwork.

Term has the meaning given in clause 3.

Trade Marks means signs, trade marks, brand names, rights in the get up or trade dress of any product or packaging, logos, slogans, stylisations and similar rights, whether registered or unregistered.

1.2 In this Agreement, unless the context requires a different meaning:

(a) the clause headings are for ease of reference only and will not be relevant to interpretation;

(b) words in the singular number include the plural and vice versa and words denoting any gender include all genders;

(c) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;

(d) a reference to a person (including a party) includes:

(i) an individual, company, other body corporate, association, partnership, firm, joint venture, trust or government agency; and

(ii) the person's personal representatives, successors, permitted

assigns, substitutes, executors and administrators;

(e) references to a statute or a statutory provision are references to the same as from time to time amended, consolidated, modified, extended, re-enacted or replaced; and

(f) a reference to the word "including" or "includes" means "including, but not limited to," or "includes, without limitation".

2. Appointment of Stockist

2.1 CANNABELLA appoints the Stockist as a non-exclusive stockist to sell and market the Goods to retail customers from the Agreed Premises on the terms and conditions of this Agreement.

2.2 CANNABELLA retains the unrestricted right to enter into agreements with other stockists for the sale of the Goods, and to sell the Goods directly to customers anywhere, at any time, without liability or obligation to the Stockist of any kind.

2.3 Stockist may not appoint sub-agents or sub-distributors to sell and distribute the Goods without our prior written consent.

3. Term

3.1 This Agreement commences on the Commencement Date and continues until terminated in accordance with the terms of this Agreement.

4. Supply of Goods

Orders

4.1 The Stockist shall submit orders for Goods via the www.cannabella.com.au website or via email to info@cannabella.com.au. The Stockist must place orders for Goods to a minimum value of \$250 per order. All orders shall be submitted subject to written acceptance or rejection by us, in whole or in part.

4.2 We may refuse to supply Goods to you if any amount due and payable by you, to us, (under this Agreement or any other agreement) is outstanding or if either party has issued a termination notice under the terms of this Agreement.

Changes to Goods

4.3 We reserve the right absolutely at any time and without notice or incurring any liability to the Stockist to:

(a) discontinue or limit its production of any of the Goods;

(b) terminate or limit deliveries of such discontinued or limited Goods;

- (c) discontinue or limit its supply (whether temporarily or permanently) of certain Goods;
- (d) alter the design, construction, specifications, features or attributes of any of the Goods; and/or
- (e) add new, different, modified and/or extra products or lines of products to the Goods.

Delivery

4.4 We will organise shipment of the Goods to the Agreed Premises on the following basis, or on such other basis as we may advise in writing from time to time:

- (a) for orders under AU\$400 - the Stockist must pay the delivery costs; and
- (b) for orders of AU\$400 or more – we will pay the delivery costs.

4.5 We will use our reasonable endeavours to make Goods available punctually but will not be responsible for shortage or delays attributable to the unavailability of Goods from its suppliers or other reasons beyond its control.

4.6 We may cancel, or suspend delivery of an accepted order if the Stockist is in breach of its obligations under this Agreement.

4.7 Any claim for non-delivery, shortage in supply or damage occurring during the course of delivery or any claim for rejects must be made by the Stockist within 72 hours of delivery via email to info@cannabella.com.au. Any Goods returned to without our prior written consent will not be credited.

4.8 If no such claim as described at clause 4.7 is made within 72 hours of delivery, the Stockist shall be deemed to have accepted the Goods as supplied and be deemed to have waived any such claim.

5. Recommended Resale Price

5.1 It is recognised that CANNABELLA has certain knowledge in evaluating market conditions, and developing marketing policy, and may recommend the prices at which Goods may be resold by the Stockist. Any such recommended retail prices will in no way be binding upon the Stockist, and the Stockist will be free to determine its own selling price for the Goods.

6. Payment

6.1 Unless otherwise agreed, and stipulated by us in writing, the purchase price for the Goods will be as shown on Wholesale

section of www.cannabella.com.au website current at the time of dispatch of the Goods. Prices are inclusive of GST. Prices are subject to change on 30 days written notice.

6.2 We may in some circumstances, and at our absolute discretion, agree to provide a Stockist with credit terms. Where we have agreed to provide credit terms, the Stockist must pay all invoices relating to Goods ordered and supplied under clause 4, in full, within 30 days of the date of the invoice.

6.3 Payment can be made by credit card or by direct into the bank account of CANNABELLA(request details from head office).

6.4 If the Stockist defaults in the payment of any monies due under this Agreement then all monies owing by the Stockist to CANNABELLA (whether under this Agreement or any other agreement) immediately become due and payable.

6.5 CANNABELLA may charge, and the Stockist must on demand pay, administration fees on any moneys not paid by the Stockist by the due date for payment. The administration fees will be calculated daily at a rate not exceeding 2% per month, from the due date for payment until the date CANNABELLA receives payment.

6.6 The Stockist must on demand pay to CANNABELLA all expenses, costs or disbursements (including debt collection agency fees and solicitor's indemnity costs) incurred and paid by us in recovering any monies owing under this Agreement.

7. Stockist obligations

General

7.1 The Stockist must:

- (a) only stock, store, sell and offer for sale, Goods acquired from CANNABELLA, and from no other source;
- (b) only stock, store, sell and offer for sale for consumption by its retail customers the Goods from the Agreed Premises and no other premises;
- (c) use its best efforts to sell and promote the Goods and the CANNABELLA brand generally;
- (d) conduct its business according to the highest business standards;
- (e) purchase all Goods launched by CANNABELLA from time to time;
- (f) range the Goods to be sold as agreed by the Stockist and

CANNABELLA from time to time;

(g) not sell or offer the Goods for sale outside of Australia or anywhere including within Australia by mail, internet, telephone or other electronic means, without our prior written consent;

(h) not sell or offer the Goods in the grey market and co-operate with CANNABELLA in relation to any investigations CANNABELLA wishes to make into potential grey market activity including, without limitation, by providing details of the products (both range and volume), dates of sale and identify of customers to whom Goods have been sold by Stockist;

(i) not break up any promotional packs of Goods as provided by CANNABELLA;

(j) not sell, or offer for sale, any gifts with purchase, bonus stock, samples or testers, or promotional or advertising material;

(k) maintain sufficient inventory to meet anticipated retail demand and maintain a minimum inventory of 3 units of each SKU stocked at any one time;

(l) use its reasonable endeavours to notify CANNABELLA of any potential shortages to ensure that an appropriate range of the Goods is maintained at all times;

(m) store Goods in suitable conditions, and supply only those in good condition;

(n) make clear, in all dealings with customers and prospective customers, that Stockist is acting as a stockist of the Goods, and not as a direct agent for CANNABELLA;

(o) act in good faith at all times towards CANNABELLA and cooperate with and provide all reasonable assistance to CANNABELLA upon CANNABELLA's request;

(p) make the business owner, store manager or relevant CANNABELLA brand manager available for regular meetings with representatives from CANNABELLA at times and dates as determined in the discretion of CANNABELLA;

(q) obtain and maintain any and all licences, authorisations and approvals required for it to be able to comply with its obligations under this Agreement;

(r) not engage in misleading or deceptive conduct in accordance with section 18 of the *Australian Consumer Law*;

(s) not engage in bribery or corruption;

(t) obtain independent legal, accounting and business advice and, if

required in order to understand the terms of this Agreement, a translation of this Agreement into another language, prior to entering into this Agreement;

(u) comply fully with any and all applicable laws, regulations and codes of practice; and

(v) comply with all other obligations set out in this Agreement.

7.2 If the Stockist is the trustee of a trust, the Stockist acknowledges that:

(a) this Agreement applies to the Stockist in its individual capacity and as trustee of the trust; and

(b) its own assets and the assets of the trust are available (and are sufficient) to meet its payment obligations under this Agreement.

7.3 The Stockist must immediately notify CANNABELLA in writing of any change to the Stockist's details listed on the Wholesale Account Application Form.

7.4 Stockist must not sell, make available for sale or use or other supply Goods that have passed their expiry date marked on the bottom of product packaging. CANNABELLA takes no responsibility for Goods and other items not sold or offered by the Stockist by the applicable expiry date. The Stockist must ensure that Goods are rotated appropriately to ensure that Goods close to their relevant expiration date are sold before Goods with a longer shelf life.

Customer complaints

7.5 If any customer complaint concerning the Goods is received by the Stockist, the Stockist must:

(a) promptly inform CANNABELLA of all the details of the complaint within 5 Business Days of receipt of the complaint;

(b) allow CANNABELLA access to any documentation or Goods requested by CANNABELLA in order to investigate the complaint; and

(c) cooperate with and provide all reasonable assistance to CANNABELLA in dealing with the complaint.

7.6 Any Goods the subject of a customer complaint that are returned to CANNABELLA without CANNABELLA's prior written consent will not be credited to the Stockist.

8. Marketing and advertising

8.1 The Stockist must use its best efforts to promote, advertise,

market, sell and distribute the Goods to retail customers at the Agreed Premises.

8.2 All advertising and promotional activities by the Stockist must comply with CANNABELLA's merchandising, trademark, marketing and communications guidelines and policies, as may be communicated to the Stockist by CANNABELLA from time to time.

8.3 The Stockist must maintain the highest standards of presentation of the Goods and services at the Agreed Premises. CANNABELLA will notify the Stockist of presentation standards and of any changes to those standards. In order to maintain these standards, the Stockist must (without limitation):

- (a) display, within the Agreed Premises, such promotional material as is supplied by CANNABELLA in accordance with CANNABELLA's reasonable direction;
- (b) only use CANNABELLA supplied promotional material to promote CANNABELLA products;
- (c) comply with merchandising programs including planograms and Display standards imposed by CANNABELLA, which may be varied from time to time;
- (d) ensure that the Goods and the CANNABELLA display are kept clean at all times;
- (e) ensure that a minimum of three (3) products of any single line of Goods are displayed when merchandising the Goods at the Agreed Premises;
- (f) inform CANNABELLA well in advance of special advertising campaigns or other activities proposed by the Stockists that might create unexpected demand for the Goods;
- (g) refrain from engaging in any marketing or advertising of a nature which might harm the brand image of CANNABELLA;
- (h) maintain an environment of high quality which is compatible with the CANNABELLA brand image; and
- (i) participate in any advertising or sales promotion programs and any customer relationship management programs that may be offered by CANNABELLA and on such terms and conditions which may be agreed between CANNABELLA and the Stockist.

8.4 The Stockist must not use, display, advertise or promote the Goods or CANNABELLA's Intellectual Property via any medium without the prior written consent of CANNABELLA. CANNABELLA may withhold consent in its absolute discretion. Failure by the

Stockist to obtain such approval will entitle CANNABELLA, without prejudice to any other rights CANNABELLA may have against the Stockist, to terminate this Agreement under clause 16.

8.5 A representative of CANNABELLA may enter and view the Agreed Premises and copies of the Stockist's records relating to compliance with this Agreement at any time during the normal business hours of the Stockist to inspect the condition of the Agreed Premises and to monitor compliance with this Agreement. CANNABELLA may terminate this Agreement in its absolute discretion if the standard of the Agreed Premises falls below CANNABELLA's brand standards and merchandising guidelines under clause 16.

8.6 The Stockist must not repackage Goods, alter the packaging of Goods, apply anything to the Goods other than prices and the Stockist identification, or market the Goods in altered, defaced, damaged or substituted packaging.

9. POS Materials

9.1 CANNABELLA may from time to time provide the Stockist with POS Materials for the sale and promotion of the Goods. The Stockist acknowledges that CANNABELLA owns all rights, including copyright and other Intellectual Property rights, in all POS Materials. The Stockist further acknowledges that all POS Materials are and will remain at all times the property of CANNABELLA, whether or not the Stockist has made any payment or contribution in respect of them.

9.2 The Stockist must use the POS Materials provided from time to time by CANNABELLA in accordance with CANNABELLA's directions, except as otherwise expressly agreed by CANNABELLA in writing. The Stockist must keep such POS Materials clean, properly maintained, and in good condition and use. The Stockist will use such POS Materials only in conjunction with the sale of the Goods at the Agreed Premises. The Stockist will comply with all instructions and recommendations of CANNABELLA regarding the maintenance, use (including the period of time a certain POS Material is to be displayed), location, and removal of POS Materials. The Stockist will not purchase or manufacture its own POS Materials except with CANNABELLA's prior written consent.

9.3 The Stockist must only use CANNABELLA POS Materials provided by CANNABELLA and not provided or produced by

another party.

9.4 The Stockist must not sell POS Materials (including testers) or offer POS Material (including testers) as gifts with purchase.

9.5 The Stockist is responsible for obtaining all necessary planning approvals required for external signs. All such plans must be approved by CANNABELLA prior to implementation.

9.6 Upon expiry or termination of this Agreement for any reason, the Stockist must immediately cease to use all POS Materials, and shall return all POS Materials to CANNABELLA at the Stockist's own cost, or dispose of the POS Materials if directed by CANNABELLA in writing.

10. Displays

10.1 CANNABELLA may prescribe Displays from time to time.

Unless otherwise agreed by CANNABELLA in writing:

(a) the Stockist must install and use the amount and type of Displays that may be specified in writing by CANNABELLA from time to time and within any time frames that may be notified to the Stockist by CANNABELLA; and

(b) where a Display has been prescribed for a specific Good, the Stockist must not display that Good except using the prescribed Display.

10.2 The Stockist must at all times:

(a) keep the Displays clean and in good condition and use;

(b) install and use the Displays only at the Agreed Premises, unless otherwise agreed by CANNABELLA in writing;

(c) use the Displays only in conjunction with the sale of the Goods;

(d) where CANNABELLA specifies that particular Goods or complementary third party products should be displayed on a Display, use the Display only in conjunction with those specified Goods or complementary products; and

(e) comply with all instructions and recommendations of CANNABELLA regarding the installation, maintenance, use, location and removal of Displays.

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10.3 The Stockist is responsible for making any alterations to the Agreed Premises necessary to accommodate the Displays, and for all associated costs, and must comply with any reasonable directions given by CANNABELLA in respect of such alterations.

10.4 Upon:

- (a) expiry or termination of this Agreement for any reason either as a whole or in respect of particular Agreed Premise;
- (b) a particular Good becoming obsolete or CANNABELLA ceasing to supply a particular Good to the Stockist; or
- (c) the request of CANNABELLA,

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the Stockist must cease using such Displays as may be specified by CANNABELLA in writing.

10.5 Unless purchased by Stockist, and paid for in full, the Displays will at all times remain the sole and exclusive property of CANNABELLA and the Stockist will not obtain any rights in respect of the Displays. Risk in Displays provided by CANNABELLA will pass to the Stockist upon delivery by CANNABELLA or its agent to the Stockist and from the time of delivery the Stockist:

- (a) will bear all risk of loss, theft, damage and destruction of the Displays, except normal wear and tear;
- (b) must ensure the Displays for their full insurable or replacement value (whichever is the higher), or such amount as may be notified by CANNABELLA in writing from time to time; and
- (c) will reimburse CANNABELLA for any repairs to or replacement of the Displays or part thereof or for the reduction in value of the Displays in the event that any of them are lost, stolen, damaged or destroyed, excepting normal wear and tear.

11. Product Safety

Recall Assistance

11.1 If there is a CANNABELLA product recall, the Stockist must:

- (a) cooperate fully with CANNABELLA and assist with the recall;
- (b) give CANNABELLA copies of any recall notice or adverse report data; and
- (c) comply with any directions from CANNABELLA in relation to the CANNABELLA product recall, including any directions to minimise damage to CANNABELLA name and reputation generally.

Cost of recall

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11.2 If a CANNABELLA product recall is related to CANNABELLA's fault or negligence, CANNABELLA will:

- (a) bear any costs of the recall; and
- (b) replace, or refund the cost price of, the recalled CANNABELLA

products to the Stockist, as determined by CANNABELLA in its sole discretion.

12. Intellectual property

12.1 The Stockist acknowledges and agrees that all right, title and interest in CANNABELLA Intellectual Property and any other materials supplied to the Stockist under this Agreement are, and will remain, the property of CANNABELLA. Under no circumstances will the Stockist acquire any right, title or interest in CANNABELLA's Intellectual Property other than the right to sell Goods to retail customers as expressly provided by this Agreement.

12.2 The Stockist must not deal in or offer for sale counterfeit products, products which infringe CANNABELLA's Intellectual Property, or products that bear brand names of CANNABELLA (or which may be deceptively similar to CANNABELLA's brand names) which have been obtained from any source other than CANNABELLA.

12.3 The Stockist acknowledges the exclusive ownership of the Trade Marks by CANNABELLA. All uses of CANNABELLA's Trade Marks, and all goodwill associated with the Trade Marks, will be to the exclusive benefit of, and/or will belong to, CANNABELLA. CANNABELLA will have the exclusive right to register the Trade Marks or trade names, or any mark or name closely resembling any of them and, where applicable, to apply for entry or removal as a registered user of them. Both during the Term and thereafter, the Stockist must not:

(a) have or claim any rights in respect of the Trade Marks or otherwise attack the title or any rights of CANNABELLA in and to the Trade Marks;

(b) use or register any trade marks or names that are identical or deceptively similar to, or that incorporate, any of CANNABELLA Trade Marks;

(c) use the name "CANNABELLA" or any variant of that name, as part of its registered corporate or firm name; or

(d) without the prior written consent of CANNABELLA carry on business under any business name containing the name "CANNABELLA" or any variant of that name.

12.4 The Stockist acknowledges that CANNABELLA is the sole owner of the internet domain names that CANNABELLA uses in connection with its business, goods and services. The Stockist

must not use the name “CANNABELLA”, or any variant of that name, as part of its domain name.

12.5 CANNABELLA retains the right to specify and approve the quality and standards of all materials on which its Trade Marks are used.

12.6 The Stockist may only advertise, promote, market, sell and distribute the Goods under the name specified by CANNABELLA and must comply with any trade mark use guidelines issued by CANNABELLA from time to time.

12.7 The Stockist will not obtain any rights in CANNABELLA Trade Marks or other Intellectual Property except as set out in this Agreement. The Stockist must not:

- (a) apply for registration of any Intellectual Property owned by CANNABELLA, or assist a third party to do so; or
- (b) interfere with, or attempt in any manner to prohibit the use or registration of, any Intellectual Property owned by CANNABELLA.

12.8 The Stockist agrees that it will not:

- (a) infringe, or assist others to infringe, any of CANNABELLA’s Trade Marks;
- (b) copy, alter, modify or in any other way interfere with the Goods or their packaging without the prior written permission of CANNABELLA;
- (c) use CANNABELLA’s Trade Marks in any way which might prejudice their distinctiveness or validity or the goodwill of CANNABELLA in them; or
- (d) use or register any trade marks identical or deceptively similar to, or that incorporate, any of CANNABELLA Trade Marks.

12.9 The Stockist will promptly notify CANNABELLA in writing of:

- (a) any unauthorised or improper use or infringement of CANNABELLA’s rights relating to its Trade Marks that the Stockist becomes aware of during the term of this Agreement; and
- (b) any claim, demand or suit brought against the Stockist involving its sale of the Goods or use of CANNABELLA’s Trade Marks.

12.10 CANNABELLA will have the sole right to bring and control any claim, demand or suit relating to the improper use or infringement of its Trade Marks, the use of its Trade Marks by the Stockist or the sale of the Goods by the Stockist. The Stockist will take all steps as CANNABELLA may reasonably require in connection with any such claim, demand or suit.

13. Warranties

13.1 Each party warrants and represents to the other party that:

(a) the execution and delivery of this Agreement has been properly authorised by all necessary corporate action on its part;

(b) it is solvent and has full corporate power and lawful authority and the legal power to execute and deliver this Agreement and to perform or cause to be performed its obligations under this Agreement;

(c) it will perform its obligations under this Agreement with good faith, care and diligence;

(d) it has obtained independent legal, accounting and business advice and, if required in order to understand the terms of this agreement, a translation of this Agreement into another language; and

(e) the entry into this Agreement does not breach any agreement, undertaking or covenant to which it is a party.

13.2 To the full extent permitted by law, except for the express warranties set out in this Agreement and subject to clause 14 below, CANNABELLA makes no representations and provides no warranties or guarantees, express or implied, regarding any matter, including as to acceptable quality or fitness for a particular purpose or use, in relation to any Goods provided under this Agreement. Further, any advice, approvals, suggestions or recommendations provided by CANNABELLA in respect of the Stockist's business shall not constitute any assurance, representation or warranty from CANNABELLA and it is the responsibility of the Stockist to conduct all appropriate independent reviews and to obtain independent professional advice regarding its business.

14. Liability and indemnity

14.1 Except as expressly provided in this Agreement and to the full extent permitted by law, CANNABELLA will not be liable for any loss or damage, including loss of profits, loss of business, loss of goodwill or any other special, incidental, indirect or consequential damages whatsoever (and whether caused by the negligence of CANNABELLA or its employees or agents or otherwise) arising out of or in connection with any act or omission of CANNABELLA relating to the manufacture or supply of the Goods, their resale by the Stockist or their use by any end-user, whether for breach of

contract, tort (including negligence and strict liability), or otherwise, even if CANNABELLA has been advised of the possibility of such damages.

14.2 Where legislation implies into this Agreement any condition or warranty or provides any other rights or remedies, which avoid or prohibit provisions in a contract excluding or modifying the application of, or exercise of, or liability under such condition or warranty or other rights or remedies, the liability of CANNABELLA to the Stockist for any breach of the condition or warranty or under any other rights or remedies will be limited, at the option of CANNABELLA, to one or more of the following:

(a) if the breach relates to products:

(i) the replacement or the repair of the products, or the supply of equivalent products; or

(ii) the payment of the costs of replacing or repairing the products, or acquiring equivalent products; or

(b) if the breach relates to services, the supply of the services again or the payment of the cost of having the services supplied again.

14.3 The Stockist will indemnify CANNABELLA in respect of any and all loss, expenses, damage or liability (including reasonable legal fees), suffered or incurred directly or indirectly by CANNABELLA as a result of or relating to any claim, proceeding, action, liability or injury arising out of or relating to:

(a) the Stockist's conduct of its business, including its relations with its customers and other third parties;

(b) any breach of this Agreement by the Stockist (or any of its officers, employees, agents and sub-contractors), or any negligent acts or omissions, of or by the Stockist or any of its officers, employees, agents or sub-contractors;

(c) any unauthorised promise, representation, warranty, act, statement or omission by the Stockist or its officers, employees, agents and sub-contractors;

(d) any unauthorised modifications to the Goods; or

(e) any unauthorised use of CANNABELLA's Intellectual Property.

15) Confidentiality

15.1 Each party acknowledges that in the course of performing this Agreement it will receive or otherwise become aware of Confidential Information belonging to the other party. Nothing in this Agreement gives a party any rights in or to the Confidential

Information of the other party.

15.2 Each party agrees:

(a) to keep confidential all Confidential Information of the other party and to keep and procure the keeping of all Confidential Information secure and protected against theft, damage loss or unauthorised access;

(b) to disclose Confidential Information of the other party only to those of its officers, employees, agents and sub-contractors to whom, and to the extent to which, such disclosure is necessary for the purposes contemplated under this Agreement, and to procure that such officers, employees, agents and sub-contractors are made aware of and observe the terms of the confidentiality obligations set out in this clause 15;

(c) not to use, disclose, exploit, copy or modify any of the other party's Confidential Information, or authorise or permit any third party to do the same, other than for the sole purpose of the performance of the performance of its rights and obligations under this Agreement; and

(d) to give notice to the other party of any unauthorised disclosure, misuse, theft or other loss of the other party's Confidential Information, whether inadvertent or otherwise, immediately upon becoming aware of the same.

15.3 Upon the earlier of a written request from a party, or the expiration or termination of this Agreement for any reason, the other party will return or destroy, at the first party's option, any and all Confidential Information then in its possession or control and will not retain any copies of the same.

15.4 The terms of this Agreement are confidential to CANNABELLA and, save as required by law, regulation or order of a competent authority, may not be disclosed to any third party without CANNABELLA's prior written consent other than for the purposes of obtaining legal advice and provided that the confidentiality obligations set out in this clause 15 are observed.

15.5 The terms of and obligations imposed by this clause 15 shall survive termination of this Agreement but shall not apply to any Confidential Information which a party can demonstrate:

(a) is or becomes public other than as a result of a breach of any obligations of confidence;

(b) was lawfully obtained from a third party not under any

obligations of confidence;

(c) was already known to that party before its disclosure under this Agreement other than as a result of any breach of any obligations of confidence; or

(d) is required by law, regulation or order of a competent authority to be disclosed by a party, or to a professional adviser of a party, provided that the other party is given reasonable advance notice of the intended disclosure and a reasonable opportunity to challenge the same and, in the case of disclosure to a professional adviser, provided that such professional adviser undertakes in writing to be bound by obligations of confidentiality of at least as high a standard as those imposed under this clause 15.

16. Termination

General

16.1 Either party may terminate this Agreement on at least THIRTY (30) days written notice to the other party.

16.2 CANNABELLA may terminate this Agreement at any time immediately (or at a later date nominated by CANNABELLA) by written notice to the Stockist if:

(a) the Stockist breaches clause 7.1, 8.4, 8.5, 9.2, 9.3, 9.4, 10.1, 10.2, 12.2, 12.3, 12.4 12.6, 12.8 13 or 15 of this Agreement;

(b) the Stockist breaches any other provision of this Agreement which breach is not capable of remedy, or which breach (if capable of remedy) is not remedied within fourteen (14) days of written notice by CANNABELLA requiring the same;

(c) the Stockist voluntarily abandons the business or ceases or threatens to cease to carry on business or in CANNABELLA's reasonable opinion becomes for any reason incapable of performing its obligations under this Agreement;

(d) one or more Insolvency Events occur in respect of the Stockist;

(e) the Stockist fails to pay any amount owed to CANNABELLA under this Agreement when due;

(f) the Stockist no longer holds a licence that the Stockist must hold to carry on the business;

(g) the Stockist attempts to assign, sell, transfer or subcontract any of the rights or obligations under this Agreement to a third party without the prior written consent of CANNABELLA;

(h) the Stockist is convicted or charged with any offence;

- (i) the Stockist is fraudulent in connection with the operation of the business; or
- (j) the Stockist, in CANNABELLA's opinion, has acted or behaved in a manner which may adversely affect the goodwill of CANNABELLA or the CANNABELLA brand.

Change in control

16.3 The Stockist must notify CANNABELLA in writing of any change to its directors or shareholders (or the shareholding percentages). CANNABELLA may, in its absolute discretion, terminate this Agreement on receiving such notice.

17. Effect of termination

Upon termination of this Agreement:

(a) the Stockist will immediately, at CANNABELLA's election and at the Stockist's cost, either destroy or return to CANNABELLA (subject to clauses 9.6 and 10.4):

(i) all POS Materials, Displays and other promotional materials supplied by CANNABELLA; and

(ii) any other materials bearing CANNABELLA's Intellectual Property in the Stockist's possession or control;

(b) the Stockist must immediately:

(i) refrain from referring to itself and/or the Agreed Premises as a "CANNABELLA stockist" and must cease to use the "CANNABELLA" name and CANNABELLA's Trade Marks;

(ii) cease all activities relating to the Goods and remove all POS Materials and Displays from areas of the Agreed Premises accessible to the public;

(iii) deliver to CANNABELLA all business, technical and other information, including Confidential Information, in the Stockist's possession or control relating to the Goods; and

(iv) comply with any other obligations set out in this Agreement that relate to termination;

(c) CANNABELLA may at its discretion, but is not required to, to repurchase or to designate another party to purchase such of the Goods that the Stockist has in its possession and are in saleable condition at 75% of the price that such Goods were originally sold to the Stockist or at CANNABELLA's then current list price for such products, whichever is the lesser amount; and

(d) the Stockist will have no claim against CANNABELLA for the

payment of any damages, compensation or liabilities of any kind whether on account of present or prospective loss of profits or distribution rights, loss of goodwill or any similar loss or for expenditures, investments or commitment or otherwise.

17.2 Any termination of this Agreement will be without prejudice to any other rights or remedies of either party in respect of the breach concerned (if any) or any other breach of the terms of this Agreement.

17.3 Any indemnity or any obligation of confidence under this Agreement is independent and survives termination of this Agreement. Any other term that expressly or by its nature is intended to survive termination of this Agreement shall survive termination of this Agreement, including clauses 6.5, 6.6, 12.8, 14, 15, and this clause 17.

18. GST

18.1 In this clause 18, a word or expression defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) has the meaning given to it in that Act.

18.2 Any consideration to be paid or provided to CANNABELLA for a supply made by the CANNABELLA under or in connection with this Agreement, unless specifically described in this Agreement as GST inclusive, does not include an amount on account of GST.

18.3 Despite any other provision in this Agreement, if CANNABELLA makes a supply under or in connection with this Agreement on which GST is imposed (not being a supply the consideration for which is specifically described in this Agreement as GST inclusive):

(a) the consideration payable or to be provided for that supply under this Agreement but for the application of this clause (GST exclusive consideration) is increased by, and the Stockist must also pay CANNABELLA, an amount equal to the GST payable by the Supplier on that supply; and

(b) the amount by which the GST exclusive consideration is increased must be paid to CANNABELLA by the Stockist without set off, deduction or requirement for demand, at the same time as the GST exclusive consideration is payable or to be provided.

18.4 If a payment to a party under this Agreement is a reimbursement or indemnification, calculated by reference to a loss, cost or expense incurred by that party, then the payment is reduced

by the amount of any input tax credit to which that party is entitled for that loss, cost or expense.

18.5 CANNABELLA must provide a tax invoice to the Stockist.

19. Force Majeure

19.1 Neither party will be liable to the other to the extent that performance of its obligations under this Agreement (except for an obligation to make a payment) is hindered, delayed or prevented due to Force Majeure provided that each party gives the other party written notice promptly of the occurrence of such Force Majeure and uses its good faith efforts to cure the breach.

19.2 In the event of Force Majeure the time for performance or cure of the breach will be extended for a period equal to the duration of the event of the Force Majeure.

19.3 If the Force Majeure in question prevails for a continuous period in excess of one (1) month, the party whose performance of the Agreement is not hindered, delayed or prevented by the Force Majeure in question will be entitled to immediately terminate this Agreement by written notice to the other, in which case the provisions in clause 17 will apply.

20. Customer data

20.1 The Stockist shall at all times when collecting, using, disclosing, transferring, storing or otherwise handling information relating to customers or any other persons comply with the terms of the *Privacy Act 1988* (Cth) as amended from time to time, and all other applicable laws, rules and regulations, including by notifying customers that it may disclose such information to CANNABELLA and its related companies.

21. General

21.1 The parties to this Agreement are independent contractors. The Stockist is responsible for all its own expenses and employees. Nothing in this Agreement constitutes the Stockist as the legal representative, agent, joint venturer, employee or partner of CANNABELLA or CANNABELLA as fiduciary of the Stockist for any purpose.

21.2 This Agreement may not be amended or supplemented except by a written document executed by all parties.

21.3 The rights and obligations of the Stockist under this Agreement are personal and cannot be assigned, charged or

otherwise dealt with, without the prior written consent of CANNABELLA.

21.4 This Agreement records the entire Agreement between the parties as to its subject matter. Any prior negotiations, agreements, arrangements, representations and understandings related to the subject matter of this Agreement are superseded by this Agreement.

21.5 The Stockist must promptly execute all documents and do all things that another party reasonably requests to effect, perfect or complete this Agreement and all transactions incidental to it.