



DISTRIBUTION AGREEMENT

This distribution agreement entered into on the SEPT 06, 2018 (enter date) by and between: BLUNDER BITES (enter vendor name), hereinafter referred to as "CLIENT".

And

TREE OF LIFE CANADA, ULC, an unlimited liability company incorporated under the laws of Alberta, hereinafter referred to as "DISTRIBUTOR".

WITNESSETH THAT:

1. CLIENT hereby grants to DISTRIBUTOR exclusive rights to promote, sell and distribute CLIENT products as listed in Schedule A (hereinafter called the "PRODUCTS"), within the territory of Canada (hereinafter referred to as TERRITORY).
2. CLIENT undertakes that neither it nor any of its associated companies, subsidiaries or licensees, nor any of its distributors shall, directly or indirectly, offer for sale, and ship or export any of the PRODUCTS in the TERRITORY.
3. DISTRIBUTOR undertakes to use commercially reasonable best efforts to promote the sale of the PRODUCTS in a manner beneficial to both parties, with a view to building up a long-term relationship with customers.
4. CLIENT shall sell, and DISTRIBUTOR shall purchase, the PRODUCTS at the prices specified in CLIENT'S price list in effect at the time DISTRIBUTOR'S order is received.
5. All prices for PRODUCTS shall be subject to change by CLIENT at any time on twenty (20) weeks prior written notice with proper commodity breakdown information. A minimum of twenty (20) weeks' notice is required with the exception of traditional Christmas season blackout periods which preclude price increase notices at major accounts in December and January. In the event of a cost decrease, price protection of existing floor stock is required. DISTRIBUTOR will debit CLIENT for the change in lost inventory value.
6. In the event of a recall or product withdrawal of any of the PRODUCTS, the CLIENT agrees to indemnify for any amounts owing by DISTRIBUTOR to third parties as a result of such a recall or withdrawal, including any administrative or laboratory costs, fee's or fines associated with this action, by CLIENT or account. The CLIENT shall also reimburse DISTRIBUTOR for any government-required laboratory testing completed prior to launch, at the request of the government or CLIENT, or in response to customer complaint.

7. The term of this Agreement shall be from [REDACTED] and shall be automatically renewed for an additional period of Twelve (12) months if neither party gives written notice. If for any reason, either party decides to terminate this contract, agreement or partnership, ninety (90) days written notice must be provided. In this event, any remaining inventory that is in good merchantable condition in any DISTRIBUTOR warehouse will be handled in a way that is mutually agreed upon between DISTRIBUTOR and SUPPLIER. In certain cases it may be best suited for inventory to be sold down/suitably discounted until stock is depleted. In other cases it may be best suited for inventory to be picked up. There are options to handle inventory which will be mutually agreed upon between DISTRIBUTOR and CLIENT however DISTRIBUTOR shall be reimbursed for full landed costs/value plus 5% paid to DISTRIBUTOR in cases where inventory is picked up or value plus 5% paid for inventory sold down/discouted below this cost.
8. Inventory errors related to vendor issues are subject to charges of landed cost/value, plus the identified percentage below, to cover warehouse and labour costs or associated with inventory management.
- Vendor delivers to the retailer, non-frozen: Moving Average Cost + 5%
 - Vendor delivers to the retailer, frozen: Moving Average Cost + 7%
 - Tree of Life delivers to the retailer, non-frozen: Moving Average Cost +8%
 - Tree of Life delivers to the retailer, frozen: Moving Average Cost +10%
9. CLIENT shall maintain a fill rate of 98% or higher on a consistent basis, measured by each purchase order. CLIENT must provide DISTRIBUTOR with written explanation on any item that is a long term out of stock. Long term defined as in excess of 14 days. DISTRIBUTOR will share this explanation with key accounts. Notwithstanding any explanation, CLIENT must meet fill rate requirements. The CLIENT will be held financially liable for any fines or deductions that are a result of CLIENT short shipments or out of stocks.
10. CLIENT represents and warrants that the products shall not be adulterated and shall comply with all applicable laws in the TERRITORY. CLIENT further warrants that the PRODUCTS shall not infringe on the intellectual property rights of any third party. CLIENT shall defend, indemnify and hold DISTRIBUTOR harmless from any claims, actions, liability or damages that result from (1) the sale and distribution of the PRODUCTS, (2) the negligence of CLIENT, or (3) CLIENTS breach of this agreement or any warranties herein. Notwithstanding the foregoing, the provisions herein shall not apply to the extent the same is caused by the negligence or willful misconduct of DISTRIBUTOR.
11. DISTRIBUTOR requests that all products have, at minimum, a production code on both the outside shipping case and on the product itself. CLIENT must provide DISTRIBUTOR with details on how to read the production code. CLIENT must provide DISTRIBUTOR, in writing, for all products, both the total product shelf life and the guaranteed minimum shelf life that will exist on delivery of the goods. The guaranteed shelf life of a product must never be less than 80% of the total production shelf life. If the product is received

with less than 80% of the total product shelf life any discounts the DISTRIBUTOR must take in order to sell the product will be billed back to the CLIENT accordingly.

12. If applicable, DISTRIBUTOR requires on file a copy of the CLIENT'S current Organic, and/or Kosher, and/or Gluten-Free, and/or non-GMO Certificate(s) certified by an accredited certifier and listing all-inclusive items by name. The Certification(s) must be updated yearly.
13. CLIENT must meet minimum insurance coverage requirements as outlined in the new item set up process and provide updated copies each year to the DISTRIBUTOR.
14. Internal third party factory audit certificates and safety accreditations must be made available to the DISTRIBUTOR.
15. If applicable, certification that packaging is of food grade quality must be made available to the DISTRIBUTOR.
16. The CLIENT shall bear the responsibility for all INITIAL (approximately \$200-\$250 CDN per sku currently) AND ANNUAL (approximately \$25-\$30 per sku currently) costs associated with registration and maintenance of their products on the GS1 database. GS1 services include e-Commerce, web imaging, and nutritional imaging/data extraction, marketing images, planogram images, product dimensions/weight and a Barcode Scan Verification Report. UPC and packaging changes are also considered initial costs by GS1. Fees are subject to change, vendors will be notified as soon as Tree of Life is made aware of any changes.
17. CLIENT must reimburse DISTRIBUTOR for any agreed to listing fees to gain distribution at specified accounts and shall be paid by cheque or wire transfer upon deduction or invoice by customer.
18. CLIENT agrees that pre-approved manufacturer charge backs (MCB's) are due upon receipt by the agreed upon payment method. Any outstanding pre-approved MCB's not paid within 60 days will be automatically deducted. MCB's are to be paid in CAD funds; free goods, as a policy, is not acceptable payment of bill backs.
19. CLIENT agrees to pay stewardship fees either directly or to be billed back by DISTRIBUTOR.
20. CLIENT agrees to pay for samples for launch either directly or to be billed back by DISTRIBUTOR.
21. Any dispute concerning the application, interpretation or termination of the present Agreement is to be resolved according to the procedures for arbitration as set out by Canadian and Ontario Laws.

22. All amendments or modifications of the provisions of the Agreement shall be void unless duly executed in writing by an authorized representative of the parties hereto.

IN WITNESS WHEREOF THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE DULY EXECUTED AS OF THE DAY AND THE YEAR FIRST WRITTEN ABOVE.

Per:

Per:



Name: *Savel Hoster*
Title: *Sr Dir Natural/Org.*
Tree of Life Canada, ULC.

Name: *CHRISTIE FURNE*
Title: *CEO*
Client Name: *BLENDER BITES*

Schedule A: PRODUCTS

You may list products covered under the agreement or simply attach a current price list.