

Dealer Terms & Conditions Agreement (Updated July 1st, 2022)

The following terms and conditions supersede all prior Namero LLC D/B/A Redcat Racing Dealer Terms and Conditions Agreements. Please take a minute to familiarize yourself with our new expectations for our wholesale partners.

Monthly Minimum Orders

Unlike other hobby distributors, Redcat does not require a minimum monthly order. However, any account remaining inactive for 60 days or more may be removed from our system. You may request reactivation of your dealer status, but you agree to operate in accordance with the current dealer terms and conditions.

Contact Information

All dealers should have and maintain accurate contact information for all of their customers. All dealers are required to have and keep current contact names, phone numbers and email addresses. All dealers are required to have and keep current all appropriate business documentation to include business license, tax identification, resale certificates, tax exemption certifications, or other(s) as required by law. Dealers with physical store location(s) are required to have and keep current with Redcat their retail store address. Dealers with a website are required to keep their URL and domain name current with Redcat. Dealers who participate on, or list Redcat products on, 3rd party selling platforms are required to inform Redcat of each of these platforms and provide the seller ID or store name associated with each platform. Failure to keep this information current and up to date may result in loss of your wholesale ordering privileges.

MAP (Minimum Advertised Pricing) Policy

Redcat requires that all dealers comply with our Minimum Advertised Pricing structure or risk losing wholesale ordering privileges. Additional information regarding MAP pricing requirements plus specific vehicle MAP pricing can be found here: https://dealer.redcatracing.com/MAP-Rules-and-Pricing

Payments

Redcat accepts the following methods of payment for orders shipping within the United States and Canada: Credit/Debit Card, Paypal, Net Terms for qualifying dealers or wire transfer. Wire Transfer is the only acceptable payment method for purchases shipping outside of the United States and Canada.

Drop Shipments / Address Corrections

Redcat provides drop-shipping services to our dealers. Orders must be placed online and the customers delivery address must be entered correctly. Redcat is not responsible for mis-directed orders due to an incorrect shipping address being provided. If an incorrectly entered address results in Redcat incurring an address correction fee, that fee will be passed on to the dealer.

Shipping Damage

Before a claim for damage incurred during shipping is processed, Redcat requires that dealers photograph and document that the item is brand new, unused and in its original packaging. All photos and documentation showing the shipping damage should be forwarded to support@redcatracing.com. No shipping damage claims will be accepted without proper photographic documentation. Note: Damage claims must be filed within 24 hours of when the tracking number shows the package was delivered.

Manufacturing Defects

If a product is suspected of having a manufacturing defect, the following documentation is required and must be forwarded to support@redcatracing.com

- The original sales order number.
- A detailed explanation of the issue.

- Clear photographs showing the suspected defective part(s).

This policy is very strict. Many end-users are not familiar with hobby-grade R/C vehicles and mistake problems resulting from their inexperience as manufacturer defects. Manufacturing defects are handled on a case-by-case basis and replacement and/or repair will be performed at the sole discretion of Redcat Racing.

The following situations will absolutely not be considered manufacturing defects:

- Improper set-up/break-in of the vehicle.
- Loose hardware.
- Crash damage.

Warranty & Support

As a dealer and representative of Redcat Racing products, it is the dealer's responsibility to provide the 1st line of support with your customers for all non-warranty related issues. Many questions can be answered by visiting the Redcat Racing website, watching the "How-To" and or "Redcat University" videos or reviewing the Redcat Racing warranty information. Dealers must handle customer inquiries before forwarding customers to Redcat for service and support. Dealers are also required to investigate customer claims and determine if a warranty-related issue exists before directing the customer to the correct warranty form. Redcat will then handle any warranty claims directly with the end user.

All information regarding Redcat's warranty policies and limited lifetime engine and electronics replacement programs can be found here: <u>https://dealer.redcatracing.com/Warranty-Information</u>

Stock Rebalancing / Returns Program

Redcat Racing dealers can buy with confidence, manage inventory and maximize profitability by taking advantage of the Stock Rebalancing Program. This program allows dealers to return any and all products that are new, unused, unopened, in their original packaging, void of any price tags and that can be sold as new for either a full refund (within the 1st 45 days of purchase) or full credit (within the 1st 12 months of purchase)

Dealers who wish to take advantage of this program during the 1st 45 days of purchase can either select to receive a full refund back to the original method of payment or a full refund in the form of a Gift Certificate credit which can be used towards future purchases.

Dealers wishing to take advantage of this program after the 45th day and less than one year from the date of the original purchase will be provided a full refund in the form of a Gift Certificate to be used towards future purchases.

This program only applies to inventory that was purchased in the past 12 months.

Dealers must request an RMA (Return Merchandise Authorization) Number and then ship the items back at their own expense. Redcat Racing will inspect the returned merchandise and validate that the merchandise meets the criteria of this program prior to applying the refund. Returned merchandise that does not meet the requirements of this program may be rejected and sent back to the dealer or subject to a 15% restocking fee.

Submissions

All suggestions, ideas, notes, concepts, product reviews and other information you may from time to time send to us (collectively, "Submissions") shall be deemed and shall remain our sole property and shall not be subject to any obligation of confidence on our part. For more information please review our Unsolicited Ideas Submission Policy at: https://dealer.redcatracing.com/UnsolicitedIdeasPolicy

Redcat Racing Sales & Marketing

As part of this dealer agreement, you are authorized to use any logo, images, videos or descriptions found on the Redcat Racing website and or other social media channels as long as the use of these Intellectual Assets are in direct support of increasing brand awareness and product sales and comply with Redcat's Intellectual Property Policy, which can be found at: https://dealer.redcatracing.com/IntellectualPropertyPolicy

You are not permitted to alter these Intellectual Assets in any way. You are not allowed to use these Intellectual Assets in a manner that would imply Redcat Racing's affiliation with or endorsement, sponsorship or support of third party products or services; nor are you allowed to use these Intellectual Assets as a means by which to represent your business identity. In other words, you must have and maintain your own business identity and present this in a clear and conspicuous manner to the public.

Redcat Racing has one of the best engine and electronics replacement programs in the industry today, and those facts should be touted as a sales tool. A full overview of these programs can be found here: http://www.redcatracing.com/warranty.html

All print and media advertisements (including all online marketplaces) must include the following information:

- Appropriate Redcat logo and photo(s) showing the exact vehicle listed for sale.
 - Complete vehicle name in the item description.

Two examples of proper item descriptions are provided below:

- Redcat Racing 1/10 Scale Volcano EPX Brushed Electric Monster Truck
- Redcat Racing 1/10 Scale Everest Gen7 Sport

Redcat Racing reserves the right to contact dealers and require corrections if incorrect product listings are identified. Continued failure to follow these guidelines may result in revocation of your wholesale purchasing privileges.

Dealer URL's

Dealers are generally not entitled to register or use the Redcat Racing trademarks "redcat", "redcatracing", "teamredcat", "hexfly", "danchee", vehicle model names (collectively the BRANDS) or any other marks that could be mistaken for these BRAND(S) in top-level, second-level and other subdomains. Dealers are also not entitled to register or use domains that contain alternate or erroneous spellings of these BRANDS. Dealers who have already registered or make use of such domains shall be obligated to transfer these to Redcat, delete them upon the request of Redcat or make the required changes to these domains as directed by Redcat. Dealers who would like to change any domains (internet addresses) they have been using to sell the Redcat products must obtain the prior consent of Redcat. Redcat shall be entitled to refuse such requests only for compelling reasons.

Social Media Sites, Channels and 3rd Party Selling Platforms

Dealers are generally not entitled to register, create a site, store, page, or channel that uses any of the Redcat BRANDS and or similar marks that could be mistaken for the BRAND name as advertising elements in the development of these types of online distribution channels. Dealers are also not entitled to use alternate or use erroneous spellings of these BRANDS in association with these channels or include words that might have a negative impact on the brand image such as "discount", "inexpensive", "forless", "rebate", "deal" or similar terms. Dealers are not permitted to use any of the Redcat Marks as the profile image or primary hero image in the creation of these sites, channels and platforms. Dealers who have already registered or make use of such names shall be obligated to transfer these to Redcat, delete them upon the request of Redcat or make the required changes to these domains as directed by Redcat.

Non Transferable

Your Redcat Dealer Account and access to the Redcat Dealer Wholesale portal is not transferable. Any passwords, system access, permissions or rights given to you to obtain information, pricing, order management or documents is not transferable and may only be used by you.

Editing, Deleting and Modification

Redcat reserves the right at our sole discretion to edit or delete any documents, information or other content appearing on any of our Sites, including this Agreement.

Cause for Termination

Redcat reserves the right to terminate dealer privileges at any time due for any reasons including, but not limited to: dealer rules infractions, business model changes (by Redcat or dealer), MAP violations, brand slandering or degrading, leaked confidential information, or general misconduct that Redcat deems detrimental to its brand.