

BIDI VAPOR RETAILER PLEDGE TERMS

This document contains the terms and conditions for the Bidi™ Vapor Retailer Pledge on purchasing and reselling of Bidi Sticks by all Bidi Vapor wholesalers, distributors, authorized online retailers, and in-store retailers.

Eligibility and Inclusion

The terms of this pledge are open to acknowledged and authorized distributors, retail stores, and brick-and-mortar retailer partners of Bidi Vapor. All retail partners who dive into reselling and re-distributing Bidi Vapor's Bidi Stick are bound to the terms and conditions of this pledge, incumbent wholesalers, or new partners.

Pledging in the Terms

Bidi Vapor commits to its responsible marketing with only adult smokers as our intended audience. All retailers and distributors working with Bidi Vapor must share the same responsibility in preventing youth access to this product. Bidi Vapor strictly steers away from underage access and use in support of the current laws on vaping.

As of December 20, 2019, the legal age to purchase any tobacco and nicotine product is 21 years old. Selling any nicotine or tobacco product to anyone under the age of 21 is a violation of the Tobacco 21 Federal Law.

Comprehensive Age Verification Process

Bidi Vapor will not sell to any online or brick-and-mortar retailers, who have a history of selling to minors as indicated at the FDA's retailer inspection database. The company ensures to conduct a comprehensive age verification process before any sale or transaction. We employ a state-of-the-art third party company that verifies the age and identity of consumers across multiple databases to guarantee that no underage buyers get access to our products.

Bidi Vapor retailers and distributors must share the same responsibility to uphold the company's policy in preventing sale to minors. To adhere to the strict age verification process of Bidi Vapor, retailers and distributors must:

- Require the consumers to present a government-issued identification card before allowing any transaction. If the third-party company fails to verify the consumer's age and identity, the purchase will be put on hold until a customer service representative confirms the identification.

- Secure online purchases with adequate age-verification online technology. Distributors and retailers must incorporate a reputable age verification software to ensure that no minors can make purchases online.
- Require a signature upon delivery to ensure that the product will not fall in the hands of a minor
- Limit the quantity of flavored and cartridge-based ENDS to 30 Bidi Sticks only.
- Only allow vending machine sales of Bidi Sticks in an adult-only facility.

Mystery Shopper and Employee Training Programs

As part of our efforts to ensure our commitment to adhering to the regulations towards the prevention of underage selling of Bidi Sticks, Bidi Vapor will send *Mystery Shopper(s)* to ensure that retailers and distributors are strictly complying to our stringent measures of Age Verification Process. Retailers and distributors should also:

- Establish a hotline for reports on non-compliant sales.
- Consider establishing company policies that take employee performance on compliance checks and disciplinary sanctions for noncompliance with the illegal sale of tobacco products to persons under the age of 21.
- Implement guidelines in reporting retailer violations to the FDA.
- Practice comprehensive training programs for retail store staff.
- Require clerks who sell tobacco to be at least 21 years of age.
- Notify employees about this pledge and require them to sign an acknowledgment stating that they have read and understood the guidelines.
- Implement disciplinary actions for employee noncompliance in the selling of Bidi Stick to minors as well as practicing the Comprehensive Age Verification Process.

Product Selling to California Residents

All Bidi Vapor retailers and distributors shall agree to abide by all FDA and state law requirements with regards to advertising, marketing, and selling tobacco products.

- Sales made to California residents should comply with the California State Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65), including product packaging and website warning requirements.
- Sales with California residents should include heightened online age verification processes as mandated by California's Stop Tobacco Access for Kids Enforcement Act (STAKE Act).

Other Terms for Distributors and Retailers

- No giving out of free samples to customers
- Sale and promotion of the Bidi Stick should not be bundled with the purchase of other e-liquids as well as food, beverage, drug, and different types of consumable products.

- Samples given to retail shops should be in quantities sufficient for business purposes along with a written agreement that the sample will not be distributed, sold, or personally used.
- Routine audits to prevent access by minors, tampering, and access by unauthorized individuals inside the store.
- No opening of products only to sell in smaller amounts.
- No marketing of Bidi Sticks other than for recreational adult vaping.
- No publication and distribution of any marketing materials, product review videos, articles (offline and online) without permission from Bidi Vapor.
- Once Bidi Vapor authorizes the distributor or retailer about the publication of marketing materials, placing health risks signs should be disclosed in the endorsement.
- No therapeutic and smoking cessation claims about Bidi Stick
- No claims about the lower risk of disease, less harmful effects, free from a substance, and reduced exposure to a substance when using Bidi Stick.

Once you purchase Bidi Stick on wholesale from Bidi Vapor, LLC, the retailer or distributor now holds the full responsibility in ensuring that the distribution of these products adheres to a strict age verification process and marketing approach in compliance with the law.

Breach

Bidi Vapor will not sell to any downstream, online or brick-and-mortar retailers, who have a history of selling to minors as indicated at the FDA's retailer inspection database.

If you fail to adhere to the terms of the Retailer Pledge, Bidi Vapor, LLC reserves the right to discontinue any order you place for any given reason and cancel your distribution rights granted by Bidi Vapor, LLC. All actions shall incur any cost for the additional work required.

Retailers and distributors can refer to Bidi Vapor's guidelines for a more detailed list of terms and conditions.