

Kala's Seller Terms and Conditions

Kala values its relationship with sellers offering products and services through its online marketplace. We have developed these terms and conditions to maintain high standards of products and services offered through Kala, and to protect the reputations of Kala and its seller community. At this time, all sellers must be registered in, and ship products sold on Kala from the United States.

You must agree to these terms and conditions in conjunction with the Kala Online Retail Marketplace Seller's agreement. Violation of terms in the Seller's Agreement, or of the terms and conditions outlined in this document, could result in Kala removing your account, products and services from the Kala Online Marketplace.

Enrollment

In order to become an authorized seller on Kala's Online Marketplace, you must first register as a Seller. The registration form (www.MyKala.Com/Registration) provides Kala with important information about your business, the products and services you offer, and your business' policies including shipping, returns, and other key information.

In addition to the registration form, you must complete the **Kala Online Retail Marketplace Seller's Agreement**. The Seller's Agreement, together with the Terms and Conditions in this document and all other referenced documents, provide the legal terms to which you agree in order to offer products on Kala.

Included in the registration process is a Sales Tax Nexus and Liability form. As the seller of the products and services, you are responsible for sales tax, where applicable. The Sales Tax Nexus form provides information to Kala regarding the states in which your company has a requirement to pay sales tax. Kala agrees to collect and remit to Seller the full sales tax amount, and to provide an accounting of the sales tax by state and municipality (where applicable). It is the Seller's responsibility to accurately report and pay sales tax in a timely manner to each taxing authority.

Once your documents are received by Kala, we will promptly review and respond with approval, questions, or rejection of your account. Reasons we may reject your account include, but are not limited to, inappropriate products offered by your company that violate Kala's product standards, lack of legal status to sell products, excessive and/or serious complaints from customers about the service you have provided through other marketplaces or stores, prior violations of Kala's Terms and Conditions, and other concerns that could tarnish the reputation of Kala and its Seller's community.

Code of Conduct

Kala is focused on providing the highest level of service to its customers, and only partners with sellers who are equally committed to those standards. Kala's Code of Conduct is strictly enforced. Violations of our Code of Conduct may lead to Kala terminating the relationship with the respective seller.

Kala is proud to partner with quality sellers, and we are transparent to customers with regard to your branding and identity. From the time the customer makes a purchase, your company name and branding will be seen by the customer. Kala operates as a Marketplace on which you offer products and

services, and we do not minimize your role or identify. We insist on a mutually respectful relationship, which involves sellers adhering to this code of conduct:

- Be accurate and complete in the description of products you offer
- Promptly ship orders in the manner selected by the customer (but in all cases within two business days)
- Provide a positive customer experience in each transaction
- Process returns promptly (within three business days) and always in accordance with the return policy you describe on the Kala Marketplace
- Promptly provide Kala with updates on inventory and products, at least daily, to assure a positive customer experience for those seeking your products
- Promptly provide Kala with the fulfillment and shipping information from fulfilled orders so that Kala is able to keep customers informed, and also to ensure you are paid as quickly as possible
- Always adhere to all Kala policies and the products allowed by Kala
- Do not use customer information gathered through Kala for marketing purposes, and never sell or provide customer information to any third parties
- Do not direct or suggest to customers who originated from Kala to purchase on your site (we value a long-term relationship with you, and hope you feel the same)
- Accept customer feedback, whether positive or negative, in a professional manner
- Promote your products and business without casting a negative image of your competition
- Ensure that your products, services, packaging, product descriptions, labeling, pricing, and all aspects of your offer comply with all applicable laws and age requirements
- Ensure products do not contain any sexually, defamatory or obscene materials
- Ensure that you are properly licensed and authorized to offer and sell all products you offer on the Kala Marketplace

Uploading Content and Listing Products

Kala accepts product information in a number of formats, including CSV files or Excel spreadsheets. Any product file you provide must contain accurate and complete information such as is necessary to properly represent the product on the Marketplace. Kala will provide you with layouts of the necessary information in the formats we accept. Kala prefers the use of our standard API for product feeds and inventory updates. In addition to the product information and images, we also require that you frequently provide Kala with updated information, at least daily, including inventory and any updated product information. Please see **Kala's Non-Permitted Product and Image** requirements to ensure that you comply with all Kala requirements. Kala reserves the right to remove any content and products that it finds to be offensive, illegal, or that does not comply with Kala's stated policies.

Once product files are received in a complete and acceptable format, Kala will load your products to its database and your products will be listed on the Kala Marketplace. Products will be listed in relevant Kala Places, each of which represent a product and/or service category (such as Pets, Electronics, etc.). Your products will be shown to consumers according to the priority based on how your product scores, using Kala's algorithms, relative to the attributes provided by the customer. Kala does not "sell" the opportunity to move your products higher in the responses to consumer searches. In order for your

products to score well, it is important to provide as much detail about your product as possible, in order to match keywords and attributes requested by the customer. Kala also displays the initial price of your product based on the listing price you provide. In order to improve your initial product positioning with customers, please avoid inflating your list price with the intent of lowering them significantly later through Kala's Make an Offer or Bidding process.

Processing Orders

As purchases of your products are completed by customers on the Kala Marketplace, orders will be sent to you in one of the following methods, from which you must choose. Orders are held by Kala for 15 minutes from the time of purchase prior to being sent to you, in the event that the customer elects to promptly cancel their order.

- a) Kala will send orders to you via an API interface to your system. Kala will provide API feeds to you in near-real time (after a 15 minute delay) as transactions occur. Each order represents a purchase from a customer. An API feed may contain an order from a customer that may contain multiple products.
- b) Kala will send you an email notification for each of your customer orders. An order may contain multiple products. Emails are provided only in Kala's standard format.

Kala supports the entire sales process, including processing the payment from the customer and calculation of sales tax if it applies to your products (please see sales tax and payment handling sections of this document for details). Timely and accurate fulfillment of the products sold are the responsibility of the seller, and sellers are held accountable for fulfillment in accordance with the option chosen by the customer, but never longer than two business days. In the event that a purchase is made and the Seller is unable to fulfill the order, the Seller is required to notify Kala as soon as possible, but in no case later than two business days from the time the order is received by the Seller.

Once the product(s) is/are shipped to a customer, you must immediately provide confirmation of order fulfillment to Kala, along with the shipping information for that order. The method of notification will correlate to the manner in which you elected to receive orders:

- a) If you receive orders through an API interface to your system, once the order has shipped, you must immediately provide Kala with fulfillment and shipping information through an API interface as well. The fulfillment notification must contain the Kala order number and product identification(s), and must conform to the format required by Kala, which includes the tracking number and carrier code according to Kala standards.
- b) If you receive orders through email notifications, you must provide Kala with fulfillment and shipping information through a timely email as well. The email must be sent within two hours of the fulfillment taking place, must contain the Kala order number and product identification(s), and must conform to the format required by Kala.

When fulfillment notification is provided to Kala, we will provide notification to the customer that the product has shipped from you, the estimated delivery date, the delivery address, and tracking information.

Sales Tax Policies

Kala utilizes a respected third-party solution to accurately calculate the sales tax for each sale. As the seller of products and services on the Kala Marketplace, you are responsible for the payment of sales tax to any state or other entity in which you have tax nexus.

Based on the criteria you provide when registering with Kala (or may update from time to time), Kala relies on your statement with regard to tax nexus. Based on the product type and location of where a product is shipped, Kala will utilize its third party solution to accurately calculate sales tax on your behalf. The sales tax, if any, will be collected from the customer at the time of the sale, and will be paid to you at the time you are paid for the product(s) you sold.

Shipping and Handling

As the entity fulfilling products for sales made through Kala, you are responsible for providing Kala with the amount to be charged for shipping and handling for an order. Kala will display to the customer the information you supply to Kala, including shipping options and costs, as they view your products on the Kala Marketplace. When the customer completes a purchase, the shipping and handling costs and options are shown to the customer. In the event that the amount you provided to Kala is insufficient, you must accept the amount that was quoted to the customer, using the shipping method chosen by the customer (standard, two-day shipping, etc.) once a transaction has been processed.

If you provide Kala with a formula or method to calculate shipping and handling costs, and Kala then calculates those fees, you agree to accept them as payment in full regardless of any actual shipping and handling costs you may incur, in accordance with the shipping method chosen by the customer.

Disputes and Fraud

Payment fraud is an ongoing concern and Kala utilizes an expert third party solution (Stripe) to help protect against fraud. In the event that payment fraud does occur, Kala shares the risk with you. If a transaction is found to be fraudulent and the charges are recovered by the payment issuer or network operator, Kala will return its portion of the transaction fee and will charge your account for the amount of the purchase that was paid to you (product, shipping, and sales tax). The charge will be accompanied by adequate reporting so that you may trace the transaction appropriately. Kala will use industry best practices to identify fraud as early as possible, and will notify you immediately in order to prevent a shipment if possible.

Payment Processing, Invoicing and Payments to Sellers

Kala collects payment from the customer and is responsible for the credit card/payment processing. Kala utilizes Stripe for all payment processing. A detailed accounting of the payment is provided with the payment. You have two options for collecting payments from Kala:

1) Stripe Payment

You may elect to set up a Stripe account in order to automate payments from Kala. This option provides the fastest payment approach, with payments from Kala deposited directly into your

account within 2-3 business days of Kala being notified that an order has shipped to the customer. In order to participate in this approach, you must stay in compliance with Kala's terms and conditions, are responsible for any fees associated with your Stripe account, and must comply with **Stripe's Terms and Conditions**. You will receive the detailed accounting of the payment through email. Stripe requires certain business information and details about the authorized legal representative from your company to set up this account.

2) Manual Payment

If you prefer, Kala will provide payment to you by check, accompanied by a detailed accounting of the payment. On the first business day of each month, Kala itemizes each order for your business and any adjustments (returns, disputes, etc.) from the prior calendar month, then provides payment to you for that amount for any orders that you've notified Kala have been shipped to the customer.

Returns & Exchange

Each seller defines their own return & exchange policy. Kala will help facilitate the return process with the customer, but takes no responsibility or liability. As part of the registration process, you will define your return policy in sufficient detail so that the customer is aware of any rules, limitations, etc. Kala provides the customer with your return policy when they are making a purchase. You must adhere to the return and exchange policy that you provide to Kala and the customer as posted on Kala.

Your policy must be clear with regard to products that customers state were never received, were damaged, or where the product was incorrectly filled. In no case does Kala accept financial, legal, or other responsibility for these situations.

Customer Reviews

Customers are encouraged to provide feedback and ratings following their purchase of a product. This involves a review of Kala, the seller, the product, the fulfillment process, the condition of the product they received, and their return experience (if applicable). These ratings are made publicly available to other Kala members through the Kala Marketplace. Kala does not remove reviews simply due to poor ratings, and will only remove a review if it is determined to be false, misleading, profane, or otherwise inaccurate or deemed offensive by the sole discretion of Kala. Kala is not liable for negative reviews provided by customers relating to your business or the products you offer.

General Terms and Conditions

You are responsible for all of your expenses in connection with this Agreement. Kala requires that you provide us with credit card information from a valid credit card as well as valid bank account information for a valid bank account. Kala reserves the right to conduct background checks and to utilize other legal means to validate your identity and validity as a business offering products on its Marketplace. You agree to provide information necessary for Kala to perform these validations, which Kala may perform from time to time.

Only authorized individuals will provide signatures and authorizations for Kala agreements. You will use only a name you are authorized to use in connection with a Service and will update all of the

information you provide to us in connection with the Services as necessary to ensure that it at all times remains accurate, complete, and valid.

Kala's packaging requirements are intended to ensure the products delivered to customers are protected and have a professional appearance. Packaging makes a difference when a customer receives their order. Please ensure products are well wrapped or bagged and padded prior to placing them in the shipping box or envelope. Also, ensure that proper labels are placed on the shipping container, such as with fragile items or hazardous materials.

If we determine that your actions or performance may result in returns, chargebacks, claims, disputes, violations of our terms or policies, or other risks to Kala or third parties, then we may in our sole discretion withhold any payments to you for as long as we determine any related risks to Kala or third parties persist. For any amounts that we determine you owe us, we may (a) charge Your Credit Card or any other payment instrument you provide to us; (b) offset any amounts that are payable by you to us (in reimbursement or otherwise) against any payments we may make to you or amounts we may owe you; (c) invoice you for amounts due to us, in which case you will pay the invoiced amounts upon receipt; (d) reverse any credits to Your Bank Account; or (e) collect payment or reimbursement from you by any other lawful means. If we determine that your account has been used to engage in deceptive, fraudulent, or illegal activity, or to repeatedly violate our Program Policies, then we may in our sole discretion permanently withhold any payments to you. Except as provided otherwise, all amounts contemplated in this Agreement will be expressed and displayed in the Local Currency, and all payments contemplated by this Agreement will be made in the Local Currency.

Use of Seller's Trademarks, Content and Other Intellectual Property

By offering your products on the Kala Marketplace, you agree to allow Kala to display any information you provide relating to your company or products you offer, including trademarks, logos, business information, content and other intellectual property. In no case will Kala claim ownership of intellectual property you own, unless it is otherwise commercially available.

Anti-Counterfeiting Policy

Offering products on Kala's Marketplace must be authentic. The offering or sale of counterfeit products, including any products that have been illegally replicated, reproduced, or manufactured, is strictly prohibited.

Regardless of the circumstance, if you offer or make a sale of counterfeit products, Kala will immediately terminate your account. Any payments to you for products that are determined to be counterfeit will be charged back, and recovery of amounts due will be pursued to the greatest extent of the law. The sale of counterfeit goods can also lead to legal action by Kala, its customers, as well as civil and criminal penalties.

Image Requirements

In order to promote consistency and a positive consumer experience, the following standards are required for all images submitted to Kala for products you offer to sell on Kala. All products offered on Kala must have images of the actual product being offered for sale, in accordance with these standards. Failure to meet these standards may result in your product being removed/unlisted from the Kala marketplace.

Technical Requirements

- TIFF (.tif/.tiff), JPEG (.jpeg/.jpg), GIF (.gif) and PNG (.png) format
- Image pixel dimensions of at least 1000 pixels or larger in height and width preferred
- sRGB or CMYK color mode
- Images must be high resolution for web use
- File names or image labels must consist of the product identifier followed by a period and the appropriate file extension (Example: B000123456.jpg or 0237425673485.tif), or the appropriate URL (Example: www.sellername.com/B000123456)

Note: Spaces, dashes or additional characters in the filename will prevent your image from going online.

Kala maintains the following site product image standards:

- The image must provide a professional photo of the product, or the cover art used on the packaging of the product itself, in focus and well-lit. Drawings and other renderings are not acceptable.
- Kala expressly prohibits pornographic images or offensive images/materials of any kind.
- The image must not contain any additional imagery, text, or enhancements that would confuse the consumer as to the actual product being offered.
- Images must cover between 85-100% of the image frame, with the entire product being in frame.