



Appendix 1 - General Terms of Sale & Delivery

A. ORDERING

1. Seller accepts order submission via B2B web portal.
2. Seller's minimum order value is \$500 CAD.
3. Orders are accepted in full case pack quantities only.
4. An agreement of sale shall be considered final whenever the Buyer has placed an order for the purchase of Goods and the Seller has confirmed having received such order. Seller's acknowledgment of the receipt of an order does not constitute an agreement of sale.
5. All confirmed orders are subject to availability of Goods. Seller is not liable for any damages or costs resulting from unfilled or partially filled orders.

B. PRICES & PAYMENT

1. Prices are quoted in Canadian Dollars (CAD) and include the cost of shipping.
2. Prices are exclusive of GST/HST and QST provincial sales taxes. Seller is registered for GST/HST, QST, and provincial sales tax purposes in British Columbia, Manitoba, and Saskatchewan. Additional tax information can be found in Appendix 3.
3. Credit card is the only form of payment for TH Toys, Inc. American Express is not accepted. Net terms may be available to accounts based on a full credit check and on a case-by-case basis. Please contact canada@toyhouse.com for more details.
4. Prices include standard packaging as defined in the TH Toys, Inc. Claims and Returns Policy.
5. The price invoiced to the Buyer is based on the price list in effect on the shipping date out of the Seller's Distribution Center. Buyer accepts that prices may change at any time including but not limited to the period of time following Seller's receipt of Buyer's order and before the time of shipment.
6. Buyer shall submit invoice-related claims no later than thirty (30) business days from the invoice date.
7. If delivery of Goods is postponed or delayed due to circumstances for which Buyer is at fault (a "Claimant Default"), Buyer shall bear an obligation to pay as if the delivery had actually taken place at the time initially agreed. Buyer shall bear any additional costs related to such a case (including but not limited to carrier and warehousing costs). In the event of a Claimant Default, the Buyer shall bear all risks and responsibility for the Goods in question from the initially agreed delivery time.
8. When an order is placed, the buyer's credit card will be authorized for the order amount. Once our warehouse verifies stock against your order, we will capture the authorized card for that amount. You will only be charged for the product that will ship. Any excess shipping charges will be refunded.

C. DELIVERY

1. Delivery will be made, and risk of loss with respect to the Goods shall pass to Buyer, in accordance with the TH Toys, Inc. Claims and Returns Policy
2. The delivery time frame will be 14-28 days after the order is placed.
3. All product is shipped from our warehouse in Ontario, Canada.
4. To the extent allowable under local laws, Seller is not liable for any non-performance or delay in delivery.
5. Buyer shall indemnify Seller from and against any and all costs arising from the shipment and transportation of Goods ordered by Buyer or its agent notwithstanding any shipping arrangements entered into between the parties and regardless of whether Seller is deemed liable by any third party for such costs. Indemnified costs include those arising from orders for Goods placed by Buyer or its agent anytime following the Effective Date and any pre-existing orders placed prior to the Effective Date. All terms and conditions and any prior written or oral communication, including without limitation Buyer's documents or other written statements added by Buyer to its customer documents with Seller, which are different from or in addition to this term are hereby rejected and are not binding on Seller.

D. CLAIMS & RETURNS

1. Claims for damages and/or shortages identified by the Buyer on the Bill of Lading and/or receiving documents at the time of receipt, are to be filed with TH Toys, Inc.
2. The Seller has a "No Returns Policy".
3. If the Buyer receives a product that exceeds what was on their original order or the incorrect product is shipped by the Seller then the Buyer must notify the Seller of its intent to file a returns claim within forty-eight (48) hours of receiving the shipment and must submit the necessary documentation within thirty (30) calendar days. Documentation required for a returns claim is described in TH Toys, Inc.'s Claims and Returns Policy.
4. In addition to the aforementioned, Buyer hereby agrees to abide by TH Toys, Inc.'s Claims and Returns Policy as amended from time to time.

E. POST AUDIT DISTRIBUTION CLAIMS

The Seller will not accept claims filed by the Buyer that are more than thirty (30) days from the Buyer's receipt of a shipment, for claims, including but not limited to shortages, damages, and routing discrepancies.

F. BACKORDERS

TH Toys, Inc. does not process backorders. If an item is not available, it will be removed from your order and it is the responsibility of the Buyer to order the item again.

G. TERRITORY

All products and merchandise sold to Buyer under this Agreement shall be sold by Buyer only in Canada (the "Territory"). Sales made outside of the Territory will result in the immediate termination of business activity. If there is an opportunity to sell in additional territories, separate accounts must be established with TH Toys, Inc. in those additional territories. Any diversion of Goods to third-party retailers or distributors for resale, whether or not intended for sale within the Territory, will result in the immediate termination of business activity.

H. E-COMMERCE CONDITIONS

All Goods must be sold directly to the consumer by Buyer or a designated e-commerce retailer hired by Buyer to handle its online business. In addition to following all other terms in this document, E-Commerce customers must sign and abide by the "LEGO Policy for e-Commerce Retail Sales".

I. PRODUCT LIABILITY

1. Seller cannot be held liable for any loss of profits, consequential loss, or other indirect loss suffered by Buyer or a third party as a result of the Goods being defective.
2. If Buyer has contributed to the damage to the Goods through negligence, Seller may demand that Buyer pays a proportion of the compensation commensurate with his conduct.

J. LIMITED WARRANTY

The Seller warrants that its Goods conform to their description in the current LEGO Product Catalogue and brochure, and on their packaging, and that the Seller meets all federal, provincial, and local laws regulating such Goods, including without limitation all applicable testing, labeling and packaging requirements and requirements of the Canada Consumer Product Safety Act (as amended). THIS WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHERS: THE SELLER MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. This warranty runs only to the immediate Buyer and is not intended to be passed on to any user of the Goods.

K. RECALLS

1. If any Goods are the subject of a recall by the LEGO Group or a government entity (including the issuance of safety notices), the LEGO Group shall be responsible for all matters and costs associated with the recall, including but not limited to:
 - (a) Consumer notification and contact;
 - (b) All reasonable expenses and losses incurred by Buyer in connection with such Recall (and where applicable, any Goods with which the recalled Goods have been packaged, consolidated, or commingled), including refunds to customers and transportation costs; and
 - (c) Initial contact and reporting of the recall to any government agency having jurisdiction over the affected Goods.

L. FACTORY AUDITS

1. The LEGO Group is the importer of record of all LEGO products and as such bears exclusively the responsibility and liability for the safety and compliance of these products. The LEGO Group is also responsible for any customs liability. Therefore, supplier factory audits are not permitted.
2. Certificates of Compliance as required by the United States Consumer Product Safety Improvement Act can be viewed and downloaded for free at www.LEGO.com/compliance. Test reports supporting these certificates may be available to authorized customers of the LEGO Group upon reasonable request to testreports@lego.com.

M. ANTI-CORRUPTION & BRIBERY

1. The Buyer shall:
 - (a) acknowledge that the Seller has a zero-tolerance approach to bribery and corruption within its business and that of the third parties it does business with, and that the Buyer accordingly shall act in a professional and ethical manner at all times when doing business relating to or on behalf of the Seller and in performing any contractual obligations under this Agreement;
 - (b) comply with all applicable laws relating to anti-corruption, anti-bribery, and money laundering, such as but not limited to the U.S. Foreign Corrupt Practices Act 1997, Canada's Corruption of Foreign Public Officials Act, and the UK Bribery Act 2010 ("ABC Laws");
 - (c) have in place throughout the term of this Agreement own policies and procedures to ensure proper compliance with the ABC Laws;
 - (d) not perform any act that will cause the Seller to be in breach of the ABC Laws;
 - (e) promptly report to the Seller any request or demand for any undue or unlawful payment or another advantage of any kind received in connection with the performance of this Agreement, in particular, any such request or demand received from:
 - (i) governmental or public officials;
 - (ii) political parties or party officials;
 - (iii) any other person, while knowing or having cause to suspect that all or part of such payment or advantage will be offered, given, or promised, directly or indirectly, to any of the above-identified persons or organizations;
 - (f) ensure that any person who is performing activities in connection with this Agreement does so only on the basis of a written contract which imposes on and secures from such person relevant anti-corruption and anti-bribery terms equivalent to those imposed above ("**Relevant Terms**"). The Buyer shall be responsible for the observance and performance by such persons of the Relevant Terms and shall be directly liable to the Seller for any breach by such persons of any of the Relevant Terms.
2. The Buyer shall in addition to Section N.1 above:
 - (a) certify compliance with the obligations set out in Section N.1 on an annual basis (in writing and signed by an authorized officer);

- (b) keep at the Buyer's normal place of business accurate and up-to-date records (i) showing all payments made to third parties in connection with the Buyer's activities under this Agreement, and (ii) evidencing compliance with the obligations set out in Section N.1;
 - (c) comply, as far as possible, with all requests by the Seller for information or documents evidencing compliance with the obligations set out in Section N.1;
 - (d) provide reasonable assistance to the Seller with regard to any activity required by any relevant government or public agency in any relevant jurisdiction for the purpose of compliance with ABC Laws; and
 - (e) immediately notify the Seller of any governmental or regulatory review, audit, or inspection of the Buyer's activities connected with this Agreement.
3. Obligations of the Buyer in relation to a breach of ABC Laws. Where the Buyer has knowledge of or suspicion of any breach of the obligations set out in Section N.1 above, whether by the Buyer's own employees or an associated third party, the Buyer shall:
- (a) immediately report the breach or suspected breach to the Seller; or
 - (b) if the breach is only suspected, take all possible steps to ascertain whether a breach has occurred.
4. Further obligations of the Buyer in relation to a breach of ABC Laws. Where the Buyer has reported, or where the Seller has knowledge or suspicion of, any breach of the Buyer's obligations under Section 1 above, whether by the Buyer's own employees or an associated third party, the Buyer shall:
- (a) provide the Seller with all relevant information and documents evidencing the breach or suspected breach (the provision of documents pursuant to this subsection (a) above shall only take place to the extent that the exchange of information does not conflict with applicable laws, e.g. data protection acts or competition law rules; and
 - (b) make available for interview by the Seller any of the Buyer's employees deemed by the Seller to be necessary to interview.
5. Confidentiality. Unless otherwise requested by the Seller, all communication with the Seller, including documentation in relation to any due diligence, investigation, and reporting shall be kept confidential.
6. An infringement constitutes a material breach. Any infringement(s) by the Buyer of any ABC Laws and/or any of the obligations set out in Section N.1 shall constitute a material breach of this Agreement and the Seller shall be entitled to terminate the Agreement with immediate effect and withhold any shipments that may otherwise be due to the Buyer at the time of termination. To the extent permitted by law, the Buyer shall indemnify and hold the Seller harmless from any and all losses and costs related to and/or caused by such infringement(s).

N. TRADEMARK RULES

1. Seller grants Buyer a non-exclusive license to use any trademark, trade name, service mark, or copyright which appears on the Goods and all related packaging, labeling, and other printed material supplied by Seller solely to advertise and to promote the Goods in connection with Buyer's retail operation.
2. Nothing in these terms shall be deemed or interpreted to transfer any other rights including any intellectual property rights or ownership in such materials at any time from Seller to Buyer, and Buyer's use of the trademarks, trade names, and service marks under the non-exclusive license granted above shall be limited to displaying the marks as they appear on the Goods or in the form provided or approved by Seller, it being understood that any other uses shall be subject to Seller's prior written approval and usage requirements in each instance.

O. MARKETING MATERIALS

1. Items and other material delivered by Seller and intended for advertising and marketing remain the property of Seller unless otherwise agreed in writing. Material of this kind can only be used by Buyer for the promotion of the Seller's Goods in accordance with these terms or as otherwise agreed in writing, and must never be transferred or handed over to any third party. Such material shall be returned to Seller upon termination or expiration of the contractual relationship between the Parties under these terms unless otherwise agreed in writing, or anytime upon Seller's request
2. Permanent advertising and marketing material, i.e. shop-in-shop material, shall be returned to Seller upon termination or expiration of the contractual relationship between the Parties under these terms unless otherwise agreed in writing, or anytime upon Seller's request.

P. MARKETING & PROMOTIONAL ACTIVITIES

Any marketing and promotional activities of Buyer under these terms in addition to standard advertising or in-store merchandising, and all materials relating thereto, in any form, including written or digital, are subject to the prior written approval of Seller in each instance.

Q. CONFIDENTIALITY

A Party shall, to the fullest extent permitted by applicable law, keep in strict confidence all technical or commercial know-how, processes, or initiatives concerning the other Party's business which is of a confidential nature and which has been disclosed to it in the course of this Agreement. This Article R shall survive termination of this Agreement.

R. LIMITATION OF RELATIONSHIP

The Buyer agrees that neither a specific purchase nor any number of particular purchases in any way create a distribution, franchise, retail, or similar relationship between the Buyer and the Seller.

S. ASSIGNMENT

Any assignment by the Buyer of the Buyer's order or of any rights resulting from acceptance of an order by the Seller, without written consent of the Seller, shall be void.

T. FORCE MAJEURE

If either of the Parties becomes substantially prevented from or delayed in performing its obligations (except payment obligations) under these terms due to force majeure as defined in applicable law (including but not limited to strikes, lockouts,

stoppages, obstacles to transport and sub-supplier's delay), such obligations will be suspended for as long as such an event lasts.

U. WAIVER

The seller may decide to waive its contractual rights under these terms. Such waivers shall be without prejudice to any other purchase of Goods made under these terms.

V. GOVERNING LAW

1. The relationship between the Parties shall be governed by the Province of Ontario, disregarding the choice of law rules and without regard to the United Nations Convention of Contracts for International Sale of Goods (CISG).
2. Any dispute that may arise in connection with a contract entered into by the Parties or the interpretation of the same will be settled by the court at Seller's venue as the court of first instance.

W. SUBJECT TO CHANGE

TH Toys, Inc. General Terms of Sale & Delivery are subject to change at any time without prior notice.