

COMPLI, INC. TERMS AND CONDITIONS OF SERVICES AGREEMENT

REV 3/14/2018

This Compli, Inc. Terms and Conditions of Services Agreement (“Agreement”), is made between Compli, Inc., a California corporation (“Provider”) having a place of business in Paso Robles, California and you, or, if you represent an entity or other organization, that entity or organization (in either case “Client”) as of the date of Client’s electronic acceptance of the terms hereof (“Date of Agreement”). Provider is willing to provide Client certain alcohol beverage compliance related services solely under the terms of this Agreement. The actual services to be performed and the rates for such services shall be described in a separate Order Form which may be agreed prior to, contemporaneously with or after Client’s acceptance of the terms hereof (“Services”).

PLEASE CAREFULLY READ THIS AGREEMENT. BY ACCESSING OR USING PROVIDER’S WEB BASED OR DIRECT SERVICES OR REQUESTING ANY SUCH SERVICES, CLIENT AGREES THAT IT HAS READ AND AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THIS AGREEMENT.

Client hereby acknowledges that, except as performed pursuant to any prior written agreement between Provider and Client, any and all alcohol beverage compliance related services Provider performs or provides for Client, including, without limitation eCompli or direct Services, prior to, contemporaneously with or after Client’s acceptance of this Agreement are subject to the terms of this Agreement.

This Agreement shall be provided to Client in pdf form along with the applicable Order Form upon Client’s agreement to the same.

Provider and Client agree that electronic and photo copies of this Agreement, any Order Form, Additional Services Confirmation or any notice hereunder shall be fully enforceable as are counterpart execution and electronic acceptance of any such document or communication.

1. Definitions. Terms used in this Agreement shall have the definitions given in this Agreement or if not defined in this Agreement, will have their plain English meaning as commonly interpreted in the United states.
2. Conditions. Provider will have no obligation to provide any requested services until Client returns a counter signed copy of the Order Form acknowledging this Agreement.
3. Scope. Provider shall initially provide “Services” as described in the initial Order Form agreed to prior to, contemporaneously with or after Client’s acceptance of this Agreement. To the extent Client requests additional services, work or projects beyond those specifically described in the initial Order Form, Provider may accept or decline to accept such requested services, work or projects in its sole and absolute discretion. No such requested additional services, work or projects shall be deemed accepted by Provider unless accepted in a writing (including email) or via a software application confirming the scope of additional services, rates and fees for such additional services, work or projects and any rate changes per Section 6 hereof (“Additional Services Confirmation”). The Order Form and Additional Services Confirmation shall thereafter define the Services under this Agreement. Client shall not be entitled to discontinue or modify any agreed Services without Provider’s consent, in Provider’s sole and absolute discretion, and Client’s acceptance of any resulting rate changes per Section 6 hereof.

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4. Term. The term of this Agreement shall commence on the Date of Agreement and continue for a period of one (1) year and thereafter automatically renew for an additional one (1) year term on each successive anniversary of the Date of Agreement (“Renewal Date(s)”) unless either party provides the other a written or email notice of non-renewal at least ninety (90) days prior to the effective Renewal Date.
5. Billing Procedures. Client agrees to pay all fees and costs as described in the effective Order Form and/or Additional Services Confirmation. Any costs incurred by Provider necessitated by the Services and/or requested by the Client will be included for reimbursement with the current monthly billing statement and shall be subject to the same terms as fees for Services. Fees for monthly base Services and/or eCompli subscriptions are payable in advance on or before the first calendar day of the month. Fees for additional Services and expenses are billed in arrears, are due upon receipt, and are considered past due unless they are paid within fifteen (15) days of the invoice date. In the event a payment is past due, 1) Client will be liable for a late fee of 5% of the invoice amount and interest of 10% per annum; 2) Provider will transfer funds to cover past due fees from Client Trust account or 3) Provider will cease all client work until the account is brought current; and 4) If applicable, Client access to eCompli will be blocked until the account is brought current. Provider shall be entitled to payment from Client as a cost due under this Agreement for any and all costs of collection, including actual attorney’s fees, Provider may incur as a result of any failure of Client to timely pay any sum due under this Agreement whether or not an action or other legal proceeding is commenced regarding such non-payment.
6. Rate Changes. Provider shall be entitled, in its sole and absolute discretion, to adjust any or all fees or rates described in the then effective Order Form, Additional Services Confirmation or otherwise applicable under this Agreement upon one-hundred and twenty (120) days mail or email notice to Client prior to each successive Renewal Date. Any so noticed fee or rate change shall become effective upon the Renewal Date unless Client timely provides notice of non-renewal to Provider per Section 4 above. Provider shall be entitled to adjust any or all fees or rates described in the effective Order Form, Additional Services Confirmation or otherwise applicable under this Agreement upon any request by Client to discontinue or modify any previously agreed Services effective upon such discontinuation or modification. Provider shall provide Client written or email notice of any such rate changes within five (5) business days of Client’s request to discontinue or modify any agreed Services.
7. Trust Account. To the extent Provider maintains a trust account for the purpose of paying Client fees and expenses the following terms are applicable Client will make an initial deposit to the trust account to cover estimated expenses for the first thirty (30) days of the contract period. Trust account statements are generated and sent by Provider via electronic mail on or before the fifth of each month. Funds are drawn by direct debit by Provider on or before the 10th day of each month, to replenish the trust account. Provider will make commercially reasonable effort to notify Client if additional funds are needed to cover the respective month’s expenses, so that Client may authorize a supplemental direct debit or credit card withdrawal. Client shall be responsible for any and all penalties associated with late filing due to there being insufficient funds to pay expenses on time. Under no circumstances may the trust

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account become overdrawn. All trust accounts are subject to a \$35 monthly administration fee.

8. Accuracy and use of Client's Data and Information. Client acknowledges that Provider is relying on the accuracy of all data and other information provided by Client to Provider ("Client Data") in performing the Services under this Agreement including, without limitation, in preparing any and all reports or filings with any tax authority or other governmental entity. Client represents and warrants to Provider that Client has all necessary right, title, interest and consent necessary to allow Provider to use the Client Data for the purposes for which Client provides such Client Data to Provider. Provider may generate and collect non-personally identifiable information (information that does not identify an entity or person as the source thereof, including, without limitation, as such information relates to total volumes of shipments using the Services originating in Client's state, total volumes of shipments using the Services from Client's state into other states on a state-by-state basis and similar information) resulting from Client's access to and use of the Services ("Aggregate Data"). Any Aggregate Data generated or collected by Provider shall be solely owned by Provider and may be used by Provider for any lawful business purpose without any obligation to Client under this Agreement.
9. Access to Third-Party Services. The Services may include services functionality developed, provided, or maintained by third-party service providers ("Third Party Services"). In addition to the terms of this Agreement, Client's access to and use of any Third Party Services is also subject to any other terms separate from this Agreement that Client may enter into (or may have entered into) relating to those Third Party Services ("Third Party Service Terms"). Except for Sections 8, 10, 11, 12, and 13 hereof which shall control in any event, the terms of any Third Party Service Terms will control in the event of a conflict between the terms of this Agreement and those Third Party Service Terms. Third Party Services may be subject to additional Fees as described in each Order Form or through the Services.
10. Limitation of Liability and Indemnity. Client shall indemnify, defend, with counsel of Provider's choice at Client's sole cost, protect and hold Provider harmless from and against any and all claims, controversies, disputes, legal actions, losses, costs, expenses or damages arising in part or in whole as a result of any breach of this Agreement by Client (or any of its officers, directors, employees or agents) or any other act or omission of Client (or any of its officers, directors, employees or agents) related to this Agreement or in connection with the performance of any Services under this Agreement including, without limitation, any inaccuracy in any data or other information provided to Provider by Client. Provider's entire liability for any claims, damages, or losses arising from or related to this Agreement or any Services provided hereunder to Client shall be limited to the fees paid by Client for any Services directly causing such damages. No officer, director, agent, or employee of Provider shall be personally liable for any damages arising from or related to this Agreement or any Services provided hereunder.
11. No Tax or Professional Advice. The Services provide Client with access to certain online tools, software and other services for use by Client in the management of Client's business. Client

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acknowledges that the Services are designed to aide Client in its business and that Client maintains direction and control over the use of the Services and the management of its business, including all taxes, registration fees, license fees, and other charges and payments (“Payments”) and all reports, registrations, licenses, postings, filings or other documents prepared, processed, or submitted using the Services (“Client Documents”). Client agrees that Client is solely responsible for determining the appropriateness and suitability of the Services for use in Client’s business and for using the Services to meet Client’s requirements, including all requirements under applicable international, federal, state, and local treaties, laws, rules, regulations, and ordinances (“Laws”) based on Client’s individual circumstances. The Services do not include, and Provider does not provide, tax, accounting, financial, legal, compliance, or other professional advice or opinions regarding any requirements to which Client may be subject under applicable Law, including any Client Documents or Payments prepared or submitted using the Services. Client acknowledges that Laws change, often frequently, and their impact is dependent on the specific facts and circumstances involved. Client agrees that Client will obtain the assistance of qualified tax, accounting, financial, legal, compliance, or other professional advisors as required in connection with Client’s use of the Services and compliance with applicable Laws.

12. No Fiduciary Relationship. Client acknowledges that Provider is acting at the direction of Client. The Services provide Client a platform to manage certain aspects of Client’s business. Client acknowledges that Client’s use of the Services DO NOT create a fiduciary relationship between Client and Provider or create any fiduciary obligation by Provider to Client. Client further acknowledges that Client and Provider are independent contractors and this Agreement does not create a partnership, franchise, joint venture, agency, or employment relationship. Client and Provider each remain solely responsible for paying each of its own employees, including employment related taxes and insurance.
13. Compliance. Client acknowledges that it is solely responsible for Client’s compliance with all Laws regarding Client’s business, operations, products, and services, including, as applicable, with respect to the shipment of wine or other alcoholic beverages and the payment of all sales, use, value added, licensing and other taxes, fees, and charges that may be applicable to Client’s business or operations, products, or services. Client will review its business and financial records and practices for errors or omissions and review all information and data for accuracy that it provides to Provider or is utilized in any Services, including, without limitation (a) all information and data prepared, processed, or submitted related to any Payments or Client Documents and (b) all information and data related to any shipping decisions, compliance status and related reports.
14. Applicability and Termination. This Agreement shall commence as of the Date of Agreement and govern the terms and conditions of all Services provided by Provider to Client both before and after such date except to the extent Provider and Client entered into any previous written agreement regarding such services in which case the previous written agreement shall control regarding any services provided prior to the Date of Agreement and this Agreement shall control thereafter. This Agreement may be immediately terminated by Provider upon written notice to Client (and/or Provider may exercise any other remedies available to it at law or in equity) if: (i) Client defaults in the performance of its obligations hereunder, including without

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limitation the payment of any part of any sums due hereunder when past due after providing Client five (5) days written notice delivered by mail or email and an opportunity to cure within such five (5) day period; (ii) Upon termination by Client of any Services without Provider's consent; or (iii) Upon the insolvency, bankruptcy (voluntary or otherwise) assignment for the benefit of creditors, dissolution, liquidation or reorganization of Client.

Upon expiration or termination of this Agreement for any reason, (1) All rights granted to Client under this Agreement, Order Form or any Additional Services Confirmation shall immediately cease; (2) Provider shall have no further obligation to provide any additional alcohol beverage compliance related services, of any kind, including, without limitation under this Agreement, Order Form or any Additional Services Confirmation; (3) All obligations of Client to pay all sums due for fees and costs related to any Services provided Client pursuant to Order Form, any Additional Services Confirmation or otherwise under this Agreement prior to the expiration or termination of this Agreement, shall survive expiration or termination of this Agreement and be immediately due and payable upon such expiration or termination; and (4) Client shall, within five (5) business days following expiration or termination of this Agreement for any reason, return to Provider all trade property including, without limitation, all eCompli branded manuals, documents, data (except documents resulting from Client's individual data) and software of any kind provided to Client pursuant to this Agreement ("Trade Property") and shall certify in signed writing that it has returned or destroyed any other copies of such Trade Property to Client within five (5) business days following the expiration or termination of this Agreement on any basis.

Within thirty (30) days following the expiration or termination of this Agreement, Client may request that Provider provide Client a copy of any readily accessible Client Documents in Provider's possession in a mutually agreeable electronic format. If Client has not paid all invoiced fees and costs (except with respect to charges then under reasonable and good faith dispute), Provider reserves the right to hold the requested Client data until such time that all fees and costs due for any Services provided Client pursuant to this Agreement, any Order Form, any Additional Services Confirmation or otherwise under this Agreement prior to the expiration or termination of this Agreement are paid in full. After such thirty (30) day period, Provider shall have no obligation to maintain any Client Documents.

15. Assignment. This Agreement shall not be assigned or otherwise transferred by Client. Provider shall have the right, in its sole and absolute discretion, to assign or otherwise transfer its obligations hereunder upon written notice to Client.
16. Non-Solicitation. Client shall not solicit Compli's employees or independent contractors for employment or work for hire with client on any basis (full time employment, part time employment or independent contractor) during the term hereof and for a period of one (1) year after the expiration or earlier termination of this Agreement.
17. Jurisdiction; Venue; Limitations of Actions. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any legal proceeding brought to enforce or interpret the terms of this Agreement shall be brought in San Luis Obispo County, California, or in the United States District Court, Central District of California. No legal action

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arising from or related to this Agreement may be brought by either party more than two years after the termination of this Agreement.

18. Attorneys' Fees. The prevailing party in any controversy, claim, action or legal proceeding arising from or related to this Agreement shall be entitled to recover their reasonable attorneys' fees, costs and expenses incurred in such proceeding from the non-prevailing party.
19. Parties and Successor's Rights. This Agreement shall be binding upon and shall inure to the benefit of the parties, their personal representatives, heirs, executors, administrators, assigns and successors-in-interest. Nothing in this Agreement, express or implied, is intended to confer on any person other than the parties and their respective successors and assigns any rights or remedies under or by reason of this Agreement.
20. Entire Agreement. This Agreement constitutes the complete agreement between the parties with respect to the subject matter contained herein, and no representations or understandings other than those expressed in it shall add to, vary or modify the Agreement unless the addition, variance or modification is made in writing and signed by the parties or by email confirmation by both parties. This Agreement supersedes and replaces any and all agreements relating to the subject matter of this Agreement previously entered into by the parties.
21. Severability. If any paragraph, section, sentence, clause or phrase contained in this Agreement shall be deemed illegal, null or void or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null and void or against public policy, it shall be reformed to the extent required to not make it illegal, null and void or against public policy so as to reflect the intentions of the parties at the time of entering into this Agreement to the greatest extent possible, and the remaining paragraphs, sections, sentences, clauses or phrases contained in this Agreement shall, to the greatest extent possible, not be affected thereby.

Acceptance

I have read and understood the forgoing terms of this Agreement, agree to all of the terms and conditions set forth above and represent and warrant that I am authorized to enter into this Agreement on behalf of any entity I am acting on behalf of.