

TaylorMade Golf

DISTRIBUTION TRADING POLICY AND RELATED POLICIES

**Including the General Terms of Sale applicable to
all retailers of TaylorMade products in the EEA, UK and
Switzerland**

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Section 1: Selective Distribution Systems

Part A: Introduction and operation of Selective Distribution Systems

1. Background

- 1.1 In order to maintain the high quality and premium image of TaylorMade branded products, TaylorMade Golf Limited (“**TM**”) operates two selective distribution systems in the Relevant Territories pursuant to which only retailers authorised by TM are permitted to distribute TM Current Goods.
- 1.2 The selective distribution systems are designed to maintain the high quality and premium image of the TM Current Goods and the TaylorMade brand in the golf industry by:
 - (i) guaranteeing the authenticity of the TM Current Goods;
 - (ii) ensuring that TM Current Goods are sold in a manner that is consistent with their premium and high-quality image; and
 - (iii) in relation to TM Current Hard Goods, ensuring that consumers are able to test the TM Current Hard Goods and are provided with the necessary technical advice and custom fitting services to ensure they choose the product that is best suited for their requirements.
- 1.3 Section One of this Distribution Trading Policy (“**DTP**”) establishes the terms of the selective distribution systems, including the qualitative criteria with which Authorised Retailers must comply to obtain and maintain authorisation. Authorised Retailers must in addition comply with and are subject to the obligations under the General Terms of Sale applicable to all purchases of TM Products, as set out in Section Two of the DTP. TM may amend the terms of the selective distribution systems at any time. The current terms will be available on the TaylorMade Portal.
- 1.4 Section One is divided into Parts A, B and C. This Part A establishes the operation of the selective distribution systems. Part B sets out the qualitative criteria for the Soft Goods Selective Distribution System. Part C sets out the additional qualitative criteria for the Hard Goods Selective Distribution System.
- 1.5 If a Retailer meets only the criteria in Part B, they can apply to sell TM Current Soft Goods only. If a Retailer also meets the additional criteria in Part C, they can apply to sell both TM Current Soft Goods and TM Current Hard Goods.

2. Scope and operation of the selective distribution systems

- 2.1 The Soft Goods Selective Distribution System operated by TM applies to all TM Soft Goods listed on TM’s current price list of TM Products, as updated by TM from time to time in its sole discretion and as separately provided to the Authorised Retailer, inclusive of “Hotshot” products, regardless of whether the goods may be “used” or “second-hand” (“**TM Current Soft Goods**”). The Hard Goods Selective Distribution System operated by TM applies to all TM Hard Goods listed on TM’s current price list of TM Products, as

updated by TM from time to time in its sole discretion and as separately provided to the Authorised Retailer, inclusive of “Hotshot” products, regardless of whether the goods may be “used” or “second-hand” (“**TM Current Hard Goods**”). The selective distribution systems do not apply to products that are sold by TM from time to time that TM designates as “special make up” (“**SMU**”) products. TM reserves the right to amend the scope of the selective distribution systems in the future, including the right to include additional brands.

- 2.2 TM Current Goods may be sold only by Authorised Retailers and only through sales channels that have been authorised by TM.
- 2.3 Authorisation is required for each bricks-and-mortar retail outlet and for each website through which TM Current Goods are sold. Authorisation of one retail outlet and/or website shall not be deemed authorisation of any other retail outlet or website. The Authorised Retailer shall comply with the selection criteria in all of its authorised retail outlets or websites appearing in the Application Form (see further at clause 3.2 below).
- 2.4 Soft Goods Authorised Retailers are permitted to sell TM Current Soft Goods only to end users within the Relevant Territories and to other Authorised Retailers within the Relevant Territories. Hard Goods Authorised Retailers are permitted to sell TM Current Hard Goods only to end users within the Relevant Territories and to other Hard Goods Authorised Retailers within the Relevant Territories. Authorised Retailers must not sell TM Current Soft Goods to any distributor, retail outlet or website that is not authorised to sell TM Current Soft Goods and must not sell TM Current Hard Goods to any distributor, retail outlet or website that is not authorised to sell TM Current Hard Goods. Authorised Retailers must not, in line with the prohibition in clause 2 of Section Two of the DTP below, advertise or sell TM Current Hard Goods outside the Relevant Territories or list prices in currencies that are not used in one of the Relevant Territories. When selling to another commercial undertaking, the Authorised Retailer must use reasonable endeavours to ascertain that the buyer is authorised to sell the relevant category of goods. If in doubt, the Authorised Retailer should first check with TM.
- 2.5 Authorised Retailers are not permitted to sell TM Current Goods by acting as a third-party seller on an Online Marketplace.
- 2.6 In order to enable TM to track product sales, the Authorised Retailer shall provide a report to TM, in such format as may be stipulated by TM, every three months (or when reasonably requested by TM). The report shall:
 - (i) identify the total sales of TM Products by country (where the Authorised Retailer sells via the internet to consumers outside of the country in which the bricks-and-mortar site is located); and
 - (ii) show the total value in the currency of the relevant country per category of product sold as stipulated by TM (for example by metal woods, irons, apparel, soft goods).
- 2.7 The Authorised Retailer shall provide such other information as may be reasonably requested by TM.

3. Procedure for authorisation

- 3.1 Retailers may apply to become an Authorised Retailer using the application form in Annex A below ("**Application Form**"). Retailers can apply to sell TM Current Soft Goods only, in which case they must meet the criteria in Part B, or they can apply to sell both TM Current Soft Goods and TM Current Hard Goods, in which case they must also meet the additional criteria in Part C. Applicants must provide two satisfactory trade references and one satisfactory bank reference.
- 3.2 Where a Retailer wishes to sell via more than one bricks-and-mortar retail outlet and/or more than one website, each outlet and/or website must be identified. If during any current authorisation an existing Authorised Retailer wishes to sell via a new retail outlet or website, or a Soft Goods Authorised Retailer wishes to sell TM Current Hard Goods, it must seek authorisation by completing a new Application Form.
- 3.3 TM will review applications from Retailers and will assess whether the proposed modes of sale of the Retailer meet the qualitative criteria set out in Part B and, if applicable, Part C below (the "**Evaluation**"). Each of the criteria will be reviewed and assessed by qualified TM personnel.
- 3.4 **Process for new applicants:** New applicants will be subject to a credit review process by TM which may include (but is not limited to) references by established providers of credit reference material. This review process will be of the applicant's legal identity and its principal directors. In the event credit facilities are declined by TM, any request from the applicant for information regarding this decision should be addressed in writing to the European Credit Manager at TM's registered office.
- 3.5 **Rejection of authorisation:** If, in the course of the Evaluation, TM determines (acting reasonably) that the retail outlet or website does not meet the qualitative criteria, the Retailer will be informed in writing that its application for a specific retail outlet or website has been rejected. TM may continue to authorise other retail outlets or websites of the Retailer that meet the relevant qualitative criteria. The Retailer may request details of the reasons for rejection, allowing it to rectify any failings and submit a new Application Form together with details of what the Retailer has done to rectify the initial failings.
- 3.6 **Authorisation:** If, in the opinion of TM (acting reasonably), it is determined that the retail outlet and or website meets the criteria, TM will notify the Retailer of its official authorisation status in writing and will provide a list of the authorised retail outlets or websites (where the Retailer has more than one retail outlet and/or website).
- 3.7 **Verification:** At any point after official authorisation has been given to the Retailer, TM may (at reasonable intervals) carry out a verification exercise to verify continued compliance with the relevant criteria. The Authorised Retailer shall take all reasonable steps to cooperate with such verification exercises.

4. Termination of authorisation

- 4.1 **Term:** The term of authorisation pursuant to clause 3 above is for one year and will be automatically renewed (unless terminated earlier in accordance with this clause 4),

provided the Authorised Retailer continues to meet all relevant qualitative criteria set forth in Part B and, if applicable, Part C below.

4.2 **Termination or suspension in case of breach capable of remedy:** If the Authorised Retailer commits a material breach of the DTP, and where the breach is capable of remedy:

- (i) TM will give the Authorised Retailer notice to remedy the breach;
- (ii) The Authorised Retailer will then have eight days from the date of notice to remedy the breach and to provide TM with details of the measures taken to comply with its obligations;
- (iii) Should the Authorised Retailer fail to remedy the breach within this period, TM may in its sole discretion by written notice either (a) terminate the Authorised Retailer's authorisation and all commercial relations resulting from it; or (b) suspend the Authorised Retailer's authorisation and the commercial relations for six months from the time the notice to remedy the breach was deemed received. At the end of the six-month period, TM shall have discretion whether to reinstate the Retailer's authorisation or to terminate it.

4.3 **Termination or suspension in case of breach incapable of remedy:** If the Authorised Retailer commits a material breach of the DTP, and the breach is not capable of remedy, TM may immediately upon written notice either (a) terminate the Authorised Retailer's authorisation and all commercial relations resulting from it; or (b) suspend the Authorised Retailer's authorisation and the commercial relations for six months. At the end of the six-month period, TM shall have discretion whether to reinstate the Retailer's authorisation or to terminate it.

4.4 **Repeated breaches:** If an Authorised Retailer has received notice from TM that they have committed a material breach (whether capable of remedy or otherwise), then any subsequent material breach (be it a breach of the same obligation or a different obligation, and whether capable of remedy or otherwise) shall entitle TM to terminate the Authorised Retailer's authorisation and the commercial relations with immediate effect on written notice. TM shall not be obliged to give any formal warning or opportunity to remedy the subsequent breach (if capable of remedy).

4.5 **Material breach:** For the avoidance of doubt, examples of material breaches include a failure to meet the criteria set out in Part B and, if applicable, Part C below, and Section Two clauses: 6 (Terms of payment); 16 (Intellectual property); 17 (Counterfeiting and unfair competition); and 23 (Confidentiality).

4.6 **Termination or suspension in case of insolvency events:** If:

- (i) the Authorised Retailer becomes bankrupt or has a bankruptcy petition presented against him or makes an assignment agreement or composition with creditors or suffers distress or process of execution to be levied on all or any of the property or assets of the Authorised Retailer; or

- (ii) a meeting is convened or resolution passed or a petition is presented (otherwise than for the purpose of a bona fide solvent reconstruction or amalgamation) to wind up the Authorised Retailer or a receiver or administrative receiver or administrator is appointed in respect of the whole or any part of the assets or undertaking of the Authorised Retailer; or
- (iii) in the opinion of TM a serious doubt arises as to the future or present solvency of the Authorised Retailer; or
- (iv) the price of the Goods delivered or to be delivered by TM to the Authorised Retailer being Goods in respect of which payment has not been received from the Authorised Retailer exceeds the limit of credit that TM may have from time to time by notification in writing or otherwise afforded to the Authorised Retailer;

then TM shall be entitled with or without notice at the discretion of TM to (a) terminate the Authorised Retailer's authorisation and all commercial relations resulting from it; or (b) suspend the Authorised Retailer's authorisation and all commercial relations resulting from it until TM ceases to have serious doubts as to the future or present insolvency of the Authorised Retailer as the case may be.

- 4.7 **Scope of termination or suspension:** If the Authorised Retailer has multiple authorised retail outlets or websites, termination or suspension by TM under this clause 4 can apply to one specific outlet or website, or all outlets and or websites, at TM's sole discretion. This is subject to clause 11.2(ii) below which stipulates that a Hard Goods Approved Internet Retailer must continue during the term of its agreement with TM to operate at least one authorised bricks-and-mortar retail outlet. Therefore, if a Hard Goods Approved Internet Retailer only operates one authorised bricks-and-mortar retail outlet and the authorisation for this outlet is terminated or suspended, the Hard Goods Approved Internet Retailer will no longer be authorised to make internet sales.

5. Consequences of the termination and suspension

- 5.1 In the event of the suspension or termination of the Authorised Retailer's authorisation pursuant to clause 4 above, any orders which are being processed will be either suspended or terminated, at TM's sole discretion. For the avoidance of doubt, the Authorised Retailer will remain obliged to pay TM any invoices already due and owing notwithstanding the suspension or termination.
- 5.2 Upon termination of the Authorised Retailer's authorisation pursuant to clause 4 above, whatever the cause for the termination, the formerly Authorised Retailer must:
- (i) cease to use the TM Trademarks and designs as well as any other TM intellectual property (except to the extent necessary to liquidate existing stock in accordance with clause 5.3 below);
 - (ii) remove any signs which could lead to confusion with the TM Trademarks and designs or which may suggest that the formerly Authorised Retailer remains an authorised distributor of these products;

- (iii) return, within eight days of the termination of authorisation, all commercial or technical documents provided by TM as well as any advertising materials or materials referring to the TM Trademarks; and
 - (iv) cease to sell TM Current Goods subject to clause 5.3 below. TM will have the right to buy back any products in stock at its option at the invoice price after any discounts deducted, less 30% for the current year's products and less an additional 15% for each previous year for older products, in order to take into account their depreciation and the cost of reconditioning them.
- 5.3 If the TM Products are not taken back by TM pursuant to clause 5.2(iv) above, TM will allow, in TM's sole discretion, the formerly Authorised Retailer a period of time in which it can liquidate its stock, up to a maximum of six months, but without allowing the formerly Authorised Retailer to use TM-provided advertising materials.
- 5.4 Termination pursuant to clause 4 above is without prejudice, where applicable, to any other rights or remedies which may be pursued through the criminal or commercial courts, and without prejudice to the accrued rights and liabilities of the parties. In addition, it is expressly agreed that TM shall not be liable to pay any compensation to the formerly Authorised Retailer for loss of profits or loss of goodwill or for any other loss or damage howsoever arising as a result of the termination of the authorisation and the commercial relations arising from it for any cause whatsoever.
- 5.5 Any provision of this DTP which expressly or by implication is intended to continue in force after termination shall do so notwithstanding termination of the DTP, including but not limited to this clause 5 and the following clauses from Section Two: 11 (Limitation of liability); 16 (Intellectual Property); 23 (Confidentiality); and 25 (Jurisdiction and governing law).
- 6. Application to central purchasing agencies or purchasing groups**
 - 6.1 If a central purchasing agency or purchasing group applies to be an Authorised Retailer, they must specify each member of the central purchasing agency or purchasing group who individually meets the criteria set forth below. Each member who individually meets the criteria must sign an Application Form for each of its retail outlet(s) and/or website(s). In addition, if the central purchasing agency or purchasing group purchases TM Products in its own name, or provides a guarantee of payment for its members, such entity will sign an Application Form in its own name and shall provide a list of its members who individually meet the criteria, which will be appended to the Application Form. For the avoidance of doubt, if some members do not meet the criteria, then neither the central purchasing agency or purchasing group nor members who do meet the criteria can sell or provide TM Current Goods to the members who do not meet the criteria. If any member should fail to comply with its obligations at any time, TM in its discretion has the right to withdraw authorisation from the whole group or agency or from that member only.
 - 6.2 A central purchasing agency or purchasing group may not be an Authorised Retailer if any individual member of the association, together with its connected undertakings, has a total annual turnover exceeding EUR 50 million.

Part B: Qualitative criteria for authorisation for the Soft Goods Selective Distribution System

7. Qualitative criteria for Soft Goods Authorised Retailers

- 7.1 **Integrity:** The Soft Goods Authorised Retailer and their principal owners and management must have integrity, and a reputation for integrity. This reputation for integrity must be maintained by the Retailer at all times while it is a Soft Goods Authorised Retailer. A formerly Authorised Retailer will be deemed not to have integrity, unless they have demonstrated to TM that they have made concrete changes since the time their authorisation was terminated, to ensure better compliance with the terms of the DTP.
- 7.2 **Range of TM Products:** The Soft Goods Authorised Retailer undertakes to offer for sale, with a view to satisfying the everyday requirements of its consumers: a range of TM Soft Goods, in good condition, sufficient to meet the minimum levels set out in Annex B
- 7.3 **Stocking of other brands:** The Soft Goods Authorised Retailer must sell at least two of four following brands, each of which have a similar high-quality reputation to TM: Callaway Golf, Titleist, Srixon or Ping. If any of these brands require sellers to be authorised, then the Soft Goods Authorised Retailer selling that brand must be authorised to do so.

8. Additional qualitative criteria for internet sales of Soft Goods

- 8.1 A Soft Goods Authorised Retailer wishing to sell TM Current Soft Goods online via one or more websites must additionally comply with the following criteria (and compliance with these below requirements will make it a “**Soft Goods Approved Internet Retailer**”).
- 8.2 **Product availability:** A Soft Goods Approved Internet Retailer must deliver the TM Product to the consumer within a maximum of five working days of receipt of an order from a consumer (subject to the provisions below regarding items that are not in stock).

With respect to the consumer's order, a Soft Goods Approved Internet Retailer shall provide to the consumer:

- (i) An overview of the shipping costs charged to the consumer, based on the method of shipment and the value of the respective order(s). If duties and taxes are charged, they have to be listed separately. The same applies to handling fees.
- (ii) An order confirmation number with the submission of the consumer's complete order. This confirmation number shall allow the consumer to track the order through the Soft Goods Approved Internet Retailer's customer service department.
- (iii) Information regarding the expected arrival of any back-ordered items that are not in stock and information regarding the availability of such shipment within 24 hours of the order placement by the consumer.

The consumer must have the option to cancel the order upon notification that the item(s) are on back-order and not in stock (in addition to any other rights of the consumer to cancel in accordance with the law). For the avoidance of doubt, the retailer is not obliged to offer the consumer an option to cancel the order of a custom-made product if the item is in stock and the order has been accepted, subject to any rights of the consumer to cancel in accordance with the law.

After the order has been shipped to the consumer, an email should be sent to the consumer announcing shipping date, shipping address, carrier and expected delivery time.

The Soft Goods Approved Internet Retailer's return policy must be stated in writing within the website(s).

8.3 **Presentation and layout of website:** The presentation and layout of the website must maintain the high quality and premium image of the TM Trademarks and TaylorMade branded products. Under no circumstances should it devalue the TM Trademarks or TM Products, or lead to the risk of confusion in the minds of consumers. In particular, the website must meet the following criteria:

- (i) **Website appearance:** Only the current logos and trademarks of TM, as provided by TM, may be used by a Soft Goods Approved Internet Retailer and in no event should the value of TM Trademarks be undermined in the eyes of the consumer or any other similar marks be used that would confuse the consumer;
- (ii) There must not be any pop-ups, fly-ins, or persistent banners on web pages on which TM Products appear;
- (iii) A contact telephone number for professional advice on the TM Products should be visible on a navigation bar on every web page on which TM Products appear;
- (iv) A contact address/business address where consumers can send correspondence should be available on the website;
- (v) On any web page on which TM Current Goods are sold there must appear a clear statement that, or a link to a page stating that, TM operates a warranty policy through its Retailers, and that for each sale the contract is between the consumer and the Retailer, and that warranty service can only be obtained by returning the product to the Retailer from whom it was purchased. The Soft Goods Approved Internet Retailer is not prevented by this clause from including any mandatory consumer statutory information where relevant.
- (vi) **Description of products:** Once the consumer has selected one of the TM Current Goods to view or to purchase, a web page describing the facts and benefits (as such page is provided by TM) of such item needs to be shown prior to the consumer purchasing the product.

8.4 **Technical standards for Soft Goods Approved Internet Retailer's website:** A Soft Goods Approved Internet Retailer's website must comply with the following technical standards:

- (i) **Website performance:** The website(s) should have the ability to process on a secure web page, in real time, live orders against online confirmation of the allocation of stock to the order prior to completion of the check-out stage of the transaction, and without the need for further contact with the consumer; and the website should load in ten seconds or less on a current industry standard browser on an ISDN connection. If the website contains larger files, the longer loading time should be indicated (e.g. by a loading bar).
- (ii) **Website navigation:** The website shall have straightforward navigation and search capabilities. Upon TM's request, the Authorised Retailer shall submit a written "content tree" to TM that illustrates the website layout and navigation/search "flow."
- (iii) **Website availability and security:** The website shall:
 - (a) have functional availability of 99.5% (industry standard);
 - (b) be hosted on secured servers; and
 - (c) ensure that payment transactions are run on industry standard encryption technology.

8.5 **Data security:** The website shall have clearly published privacy statements/policies that are compliant with the applicable laws. Upon TM's request, a Soft Goods Approved Internet Retailer shall submit to TM a complete description of the website's security and privacy policies and features.

8.6 A Soft Goods Approved Internet Retailer must assure the customer that any personal information of any consumer who purchased TM Products through the website (i.e. email addresses, addresses, etc.) shall not be used for any direct marketing purpose in any form, unless the consumer has agreed to receive specific services or information in accordance with the Retailer's posted privacy policy.

8.7 **Customer service requirements:**

- (i) A Soft Goods Approved Internet Retailer must:
 - (a) be able to service their consumers 24 hours a day, 7 days a week via the Internet;
 - (b) have at least one full-time website administrator; and
 - (c) have at least one full-time customer service representative dedicated to servicing the website's golf equipment sales.

- (ii) Customer service must be available to respond to questions regarding product information, order tracking, returns and refunds. Customer service must be available via at least telephone call and email and the relevant contact details must be published prominently on the website. This consumer service must be available between at least 09:00-18:00 each day and offer the following minimum service levels:
 - (a) Telephone calls responded to within 30 seconds;
 - (b) Live chat conversations responded to within 30 seconds;
 - (c) Inbound emails responded to within 24 hours; and
 - (d) Enquiries resolved within 48 hours.

8.8 **Language requirements:** A Soft Goods Approved Internet Retailer must be equipped to service consumers that speak a variety of languages if it actively sells TM Products to consumers in various countries. A Soft Goods Approved Internet Retailer's site shall be accessible in multiple languages to the extent it actively sells to consumers in multiple countries.

9. Minimum stocking levels and pre-orders

9.1 Soft Goods Approved Internet Retailers must comply with the minimum stocking levels set out in Annex B (Stock Maintenance Programme). A Soft Goods Approved Internet Retailer must:

- (i) Within two weeks of receiving confirmation of authorisation, order sufficient TM Products to comply with the minimum stocking levels set out in Annex B (Stock Maintenance Programme); and
- (ii) Ensure that it at all times has sufficient stock to meet the minimum stocking levels identified in Annex B.

9.2 Furthermore, any Soft Goods Approved Internet Retailer who sells TM Current Goods through one or more authorised retail outlets (in addition to selling via one or more websites) must pre-order the annual minimum amount for each authorised retail outlet according to the then current Trade Terms for delivery no later than as stated in the Trade Terms of the relevant calendar year. A Soft Goods Approved Internet Retailer who sells TM Current Goods through one or more authorised retail outlets who fails to order the minimum value in the Trade Terms will lose its entitlement to certain beneficial discounts and retro payments, but for the avoidance of doubt will retain its status as an Authorised Retailer.

9.3 This minimum does not apply to pre-orders of any products other than TM Products.

9.4 While no cancellations of pre-orders will be accepted, should any delivery of pre-ordered TM Products be cancelled, the amount subject to cancellation will not be counted toward this annual minimum.

Part C: Qualitative criteria for authorisation for the Hard Goods Selective Distribution System

10. Qualitative criteria for all Hard Goods Authorised Retailers

- 10.1 The qualitative criteria for Hard Goods Authorised Retailers shall comprise all of the qualitative criteria for the Soft Goods Selective Distribution System, listed in clause 7 of Part B above, plus the additional criteria listed in this clause 10 of Part C.
- 10.2 Unlike Soft Goods Authorised Retailers, Hard Goods Authorised Retailers must operate a bricks-and-mortar retail outlet.
- 10.3 **Site and ownership of a bricks-and-mortar retail outlet:** The retail outlet must comprise all or part of a constructed building (also referred to herein as a “bricks-and-mortar” retail outlet). The Hard Goods Authorised Retailer must own (either freehold or leasehold interest), operate and control the authorised bricks-and-mortar retail outlet.
- 10.4 **Competence of the retailer and sales personnel:** The Hard Goods Authorised Retailer must possess substantial technical and commercial knowledge in the area of golf equipment and in particular, in the area of the TM Current Hard Goods, thus enabling it to advise its customers. The Hard Goods Authorised Retailer undertakes that it will:
- (i) Have at least one golf-dedicated sales person available at all times while the retail outlet is open to customers;
 - (ii) Train its golf-dedicated sales personnel so that they are able to provide consumers with precise information regarding the TM Current Hard Goods; guide customers in making product choices; offer custom fitting services; respond to any specific questions; and seek at all times to promote sales of TM Products, including promoting the opportunity for custom fitting.
- 10.5 **Technical knowledge of the retailer and sales personnel (including custom fitting):** The Hard Goods Authorised Retailer must ensure that its golf-dedicated sales personnel possess the necessary technical knowledge of golf equipment, knowledge of the rules of golf and professional sales experience in the golf field, and are trained to provide golf players with useful and accurate advice on their needs for golf equipment.
- 10.6 In relation to technical knowledge, TM will ensure that the Hard Goods Authorised Retailer receives appropriate technical training and technical assistance. In particular:
- (i) *Technical training:* TM will provide the Hard Goods Authorised Retailer with in-depth technical training on the TM Current Hard Goods, in order to enable it to advise consumers. TM may organise regional training sessions for the sales personnel of the Hard Goods Authorised Retailer and/or provide training materials for the Hard Goods Authorised Retailer to use in training its sales personnel. The Hard Goods Authorised Retailer must make all reasonable efforts to attend such training sessions when invited to do so.

- (ii) *Technical assistance:* TM will provide technical assistance by way of advice on maintenance and use, in particular, through the technical aids which are available to the Hard Goods Authorised Retailer on the different ranges of the TM Current Hard Goods or on the TM Current Hard Goods generally.

10.7 **Custom fitting facilities:** The Hard Goods Authorised Retailer undertakes to provide every consumer who visits any retail outlet of the Hard Goods Authorised Retailer with the ability to test the TM Current Hard Goods and shall make available demonstration clubs and necessary accessories for these purposes. The Hard Goods Authorised Retailer must offer specific custom fitting facilities in its retail outlet, including any equipment reasonably required to carry out the full custom fit service and a designated custom fit area, which is to include a fitting bay of sufficient size for a consumer to test and compare the playing characteristics of different TM Current Hard Goods.

10.8 **Presentation of the TM Products:** The fitting out of the retail outlet must correspond with the needs of specialisation, quality and prestige attached to the TM Trademarks and TM Products. Under no circumstances should it devalue the TM Trademarks or TM Products, or lead to the risk of confusion in the minds of consumers. In particular, the Hard Goods Authorised Retailer shall:

- (i) use the marketing materials provided by TM;
- (ii) ensure that each retail outlet uses installations that respect the prestige and reputation of TM Trademarks and the technical nature of the TM Current Hard Goods and that accord with the TaylorMade brand image. The retail outlet must be well maintained, clean and suited to the display, marketing and presentation of TM Products. In particular, the fittings are assessed by reference to the quality of the facade and the internal fixtures such as the floor covering, the quality of the walls, ceiling and furniture, and the sales area and the fixtures and fittings of any golfing cubicles; and
- (iii) present TM Products in an attractive manner and facilitate consumers' choice from a precise range of products.

10.9 **Layout of the retail outlet:** The layout of the retail outlet must be such as to maintain the high quality and premium image of the TM Products and to allow customers to experience the TM Current Hard Goods. In particular, the Hard Goods Authorised Retailer shall:

- (i) have a "golf section" in each retail outlet, in other words a reserved area with clearly defined boundaries (unless the entire retail outlet is devoted to golf products), exclusively devoted to golf products and in which the TM Current Hard Goods will be displayed and distributed. This area must be situated away from other products which due to their nature are not compatible with the image of products linked to the practice of golf; and
- (ii) position the current range of TM Products within the area devoted to golf products in each retail outlet with other golf brands of a high quality reputation (for example, Callaway Golf, Titleist, Srixon, Ping) and in any case clearly away from brands

that do not benefit, in the eyes of the consumer, from a similar reputation for quality.

10.10 **Range of TM Products:** The Hard Goods Authorised Retailer undertakes to offer for sale, with a view to satisfying the everyday requirements of its consumers:

- (i) a range of TM Products, in good condition, sufficient to meet the minimum levels set out in Annex B; and
- (ii) for each category, an assortment of lofts, flexes, sizes and quantities (as appropriate depending on the types of TM Product sold) which are representative of the variety of the range.

10.11 **Stocking of other brands:** The Hard Goods Authorised Retailer must sell hard goods (at least one of drivers, fairways, irons, rescue, wedges, or putters) from at least two of four following brands, each of which have a similar high-quality reputation to TM: Callaway Golf, Titleist, Srixon or Ping. If any of these brands requires sellers to be authorised, then the Hard Goods Authorised Retailer selling that brand must be authorised to do so.

11. Additional qualitative criteria for internet sales of Hard Goods

11.1 A Hard Goods Authorised Retailer wishing to sell TM Current Hard Goods online via one or more websites must comply with the qualitative criteria for being a Soft Goods Approved Internet Retailer, listed in clause 8 of Part B above and also the following criteria (and compliance with these requirements will make it a “**Hard Goods Approved Internet Retailer**”).

11.2 Requirement for bricks-and-mortar retail outlet:

- (i) A Hard Goods Approved Internet Retailer must operate at least one authorised “bricks-and-mortar” retail outlet. It must have operated its authorised bricks-and-mortar retail outlet(s) for a sufficient amount of time that allows TM to objectively assess compliance with the qualitative criteria set forth in this section, which will typically be six months.
- (ii) A Hard Goods Approved Internet Retailer must continue during the term of its agreement with TM to operate at least one authorised bricks-and-mortar retail outlet to ensure that the consumer can access and handle the TM Current Hard Goods from their final purchase destination. If a Hard Goods Approved Internet Retailer’s authorisation is revoked or suspended due to the fact it no longer operates any authorised bricks-and-mortar retail outlets, the authorisation to sell TM Current Hard Goods online will automatically be deemed to be revoked or suspended, as applicable.

11.3 **Identification of bricks-and-mortar retail outlet:** A Hard Goods Approved Internet Retailer’s website must identify where the bricks-and-mortar retail outlet is located, to allow the consumer to visit and physically view and handle the TM Current Hard Goods.

- 11.4 Furthermore, where a Hard Goods Approved Internet Retailer uses a different trading name for its site, it must identify on the site the contact details of the company or organisation operating the site to distinguish itself from the website operator and enable its end user customers to contact it.
- 11.5 **Online custom fitting options:** Any website used by a Hard Goods Approved Internet Retailer to sell TM Current Hard Goods must promote custom fitting options and offer custom fitting functionality to enable customers to choose the product that is best suited for their requirements.
- (i) In order to promote custom fitting, the website should clearly advertise the availability of custom fitting services. Furthermore, the website should require the customer to confirm that he/she does not wish to use the custom fitting service before finalising the order.
 - (ii) The website functionality must include at least one or more of the following:
 - (a) **Drop-down boxes for each possible specification:** Each TM Current Hard Good available for sale online must include the full range of options for every possible specification relevant to the particular characteristics of that product. For example, for a fairway wood this would include: (i) left or right hand, (ii) loft, (iii) shaft type, and (iv) flex;
 - (b) **Retailer customer service number:** A dedicated customer service number staffed by custom fit specialists promoted under the “Add to cart” button to enable consumers to discuss their specifications and place orders via the telephone; and/or
 - (c) **Live chat:** A “live chat” functionality staffed at least during normal business hours enabling consumers to discuss their options and specifications with custom fit specialists prior to purchase.
 - (iii) The full-time customer service representative dedicated to servicing the website’s golf equipment sales should be knowledgeable about TM Current Goods in order to provide the consumer services in a professional way at least during normal business hours.
- 11.6 **Minimum stocking levels and pre-orders:** A Hard Goods Approved Internet Retailer should comply with the minimum stocking levels listed in clause 9 of Part B above.

Section 2: General Terms of Sale

1. Application of conditions

- 1.1 All Goods sold by TM are governed by these General Terms of Sale ("**GTS**") as updated from time to time and published on the TaylorMade Portal.
- 1.2 By placing an order for Goods with TM, the Retailer agrees to be bound by the GTS in force and published on the TaylorMade Portal at the date when the order is accepted by TM to the exclusion of any other terms and conditions put forward by or on behalf of the Retailer.
- 1.3 TM may amend the terms of the GTS at any time. The current version of the GTS will be available on the TaylorMade Portal. No other variations to the terms of the GTS as published on the TaylorMade Portal will be permitted, unless such variation is in writing and signed by an officer of TM and an authorised representative of the Retailer.
- 1.4 In addition to the GTS, TM may issue additional trading terms that detail conditions for the Retailer to meet in order to be eligible for certain beneficial trade terms or discounts ("**Trade Terms**").

2. Restrictions on sales outside the Relevant Territories

- 2.1 Retailers are only permitted to sell TM Products within the Relevant Territories. Retailers must not advertise or sell TM Products outside the Relevant Territories or list prices in currencies not used within the Relevant Territories.

3. Orders

- 3.1 Notwithstanding that TM may have given a detailed quotation, no order shall be binding on TM unless and until it has been accepted in writing by TM.
- 3.2 TM shall be entitled to accept part only of any order submitted to it by the Retailer.
- 3.3 All orders are subject to the continued production of such Goods. In the event that the manufacture of certain product lines of Goods are discontinued, or in the case of pre-orders certain Goods are not manufactured, TM will so notify the Retailer.

4. Prices and discount percentages

- 4.1 Prices and/or discount percentages quoted in the current price list of TM (as published on the TaylorMade Portal) supersede all prices and/or discount percentages for similar Goods in previous price or discount lists. TM reserves the right to correct any errors in the list price or quoted price or discount percentage.
- 4.2 Prices and/or discount percentages are subject to change and the prices and discount percentages payable by the Retailer for the Goods will be the list prices or discount percentages of TM as set by TM for that year and agreed in advance with each Retailer. In the case of an order for delivery by instalments which spans two different years, the

price and/or discount percentage payable on each instalment shall be the list price or discount percentage of TM current at the date of dispatch of such instalment.

- 4.3 All prices and discount percentages are exclusive of value added tax and this will be charged by TM according to applicable laws and will be payable by the Retailer at the appropriate rate.

5. Description

- 5.1 Any specifications of the Goods contained in any brochure, promotional or other literature are approximate only and, in keeping with its policy of continual development, TM will be able to alter such specifications and to supply Goods to the Retailer reflecting such altered specifications without prior notice to the Retailer, provided that such alterations do not materially affect the characteristics of the Goods.

6. Terms of payment

- 6.1 The Retailer shall pay the price of the Goods (without any deduction or set off) 30 days from the date of TM's invoice, or according to the terms specified on the invoice if different. TM reserves the right to withdraw the 30 day credit period for non-payment for future orders.
- 6.2 The time of payment is of the essence of the Contract.
- 6.3 The price of the Goods shall be due in full to TM in accordance with this clause 6 and the Retailer shall not be entitled to exercise any set-off, lien or any other similar right or claim.
- 6.4 If the Goods are delivered by instalments, TM shall be entitled to invoice each instalment at the date of dispatch and payment shall be due in respect of each instalment of which delivery has been made, notwithstanding non-delivery of other instalments or other default on TM's part.
- 6.5 If, pursuant to the terms of the Contract between the Retailer and TM the price shall be payable by instalments, or if the Retailer agrees to take specified quantities of the Goods at specified times, a default by the Retailer in the payment of any due instalment or the failure to give delivery instructions in respect of any quantity of the Goods outstanding shall cause the whole of the balance of the price of Goods dispatched to become due and payable immediately.
- 6.6 Payment of any order accepted by TM prior to an account for the Retailer with TM having been approved and opened is due on acceptance of the order by TM and the 30 day credit limit shall not apply.

7. Passing of title and risk

- 7.1 From the time of dispatch (or where the Retailer arranges its own carrier, at the time of confirmation of the carrier's receipt), the Goods shall be at the Retailer's risk who shall be solely responsible for their custody and maintenance.

- 7.2 Unless otherwise expressly agreed in writing, all Goods supplied by TM shall remain TM's property until the Retailer has paid TM in full all payments (including any interest and expenses) due under the Contract under which the relevant Goods were supplied and/or any other contract, and cleared funds have been received by TM. However, if the Retailer resells the goods before such time, title to the Goods shall pass from TM to the Retailer immediately before the time at which resale by the Retailer occurs.
- 7.3 Until ownership in the Goods passes to the Retailer, the Retailer shall hold the goods as bailee for TM and shall keep the Goods separate and identifiable from all other Goods in its possession and shall not remove, deface or obscure any identifying mark or packaging on or relating to the Goods and shall maintain the Goods in satisfactory condition and keep them insured against all risks for their full price from the date of delivery, but the Retailer may resell or use the Goods in the ordinary course of its business (subject to clause 7.4 below).
- 7.4 If before ownership to the Goods passes to the Retailer the Retailer becomes subject to any of the events listed in clause 18.2(i) to 18.2(iv) below or anything analogous in the jurisdiction of the Retailer (the Retailer must advise TM as soon as such event occurs or is likely to occur), or TM reasonably believes that any such event is about to happen and notifies the Retailer accordingly, then, provided that the Goods have not been resold, and without limiting any other right or remedy TM may have, the right to resell or use the Goods in the ordinary course of business ceases and TM may at any time require the Retailer to deliver up the Goods and, if the Retailer fails to do so promptly, TM may enter any premises of the Retailer or of any third party where the Goods are stored in order to recover them.
- 7.5 Nothing in this clause 7 (reserving ownership in the Goods to TM) shall operate so as to give the Retailer a unilateral right to return the Goods and to discharge the Retailer's obligation to pay the price for the Goods. This clause 7 does not create a contingent sale arrangement or any "sale or return" arrangement between TM and the Retailer.

8. Carriage

- 8.1 All orders are subject to the TM European Freight and Return Policy as set out in Annex C of the DTP.
- 8.2 All Goods dispatched by express freight or other special services at the request of the Retailer will be subject to freight and or additional handling charges. Details are available through the sales office of TM or on the TaylorMade Portal.

9. Cancellation by the Retailer

- 9.1 Subject as set out in clause 3 above TM will regard any orders placed as a firm commitment from the Retailer and therefore, cancellations cannot be accepted except by written agreement of TM.
- 9.2 In relation to orders that have been cancelled with TM's consent, TM reserves the right to apply a handling fee of 20% of the total value of Goods affected.

10. Good stock returns

- 10.1 The Retailer shall not have the right to return any Goods supplied in accordance with the Contract, without prior authorisation from TM. If authorised by TM, TM will provide the Retailer with an authorisation number and will arrange for collection. TM reserves the right to charge the Retailer for the cost of collection of authorised returns.
- 10.2 Goods must be returned in a saleable condition. If Goods need to be re-worked before returning to stock, TM reserves the right to charge a fee according to the level of work required. The level of the charge will be determined by the Returns Team.
- 10.3 Unauthorised returns will be returned to the Retailer at the Retailer's cost. Furthermore, unauthorised returns will incur a handling fee of 20% of the value of the return.
- 10.4 The current TM European Freight and Return Policy as published on the TaylorMade Portal at any time shall govern the agreement, acceptance and handling of any return of Goods by TM (please see Annex C of the DTP).

11. Limitation of liability

- 11.1 No liability (whether in contract or for negligence or otherwise howsoever arising for any item of Goods that is defective (such defect being obvious upon a reasonable inspection of the Goods) or for non-delivery or for an alleged shortage of Goods) will attach to TM **unless claims are notified to and duly authorised by TM within 7 days of delivery for defective Goods, 48 hours from delivery for alleged shortages or 48 hours from the date of the invoice for Goods not received.**
 - (i) If the Retailer shall fail to notify TM in accordance with this clause 11.1, the items delivered shall be deemed to be in all respects in accordance with the Contract and all claims for defect, shortages or non-delivery (save as set out in clause 11.2 below) shall thereafter be **invalid unless otherwise agreed in the discretion of TM.**
 - (ii) Where the Goods are for delivery by instalments any defect in any instalment shall not be a ground for cancellation of the remainder of the instalments and the Retailer shall be bound to accept delivery thereof.
- 11.2 In substitution for all rights which the Retailer would or might have but for these conditions, TM undertakes that if, unless otherwise agreed, within six months of delivery of any item of the Goods a defect in materials or workmanship appears therein being a defect which would not be obvious upon a reasonable inspection of the Goods (whether or not such an inspection was carried out), it will at its discretion either replace the same or credit the Retailer with the value thereof provided that in any case the original Goods have been accepted and paid for.
- 11.3 In order to exercise its rights under clause 11.2 above the Retailer shall inform TM within seven days of the date when such defects appeared or ought reasonably to have been discoverable and shall return the defective Goods carriage paid to TM's registered office or such other place as nominated by TM.

- 11.4 In the event of a valid claim for shortages or non-delivery, TM shall at its option issue a credit for, or replace the items concerned but shall be under no further liability.
- 11.5 TM reserves the right to inspect all Goods returned which are deemed faulty or sub-standard by the Retailer. TM will not accept any Goods sent back by the Retailer that have not been duly authorised.
- 11.6 SAVE AS EXPRESSLY PROVIDED IN THIS CLAUSE 11 TM AND ITS AFFILIATES SHALL BE UNDER NO LIABILITY (INCLUDING LIABILITY FOR ANY DIRECT OR INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS OR INCOME, FAILURE TO REALISE SAVINGS OR OTHER BENEFITS, OR LOSS OF DATA OR USE, LOST GOODWILL, CONTRACTS, BUSINESS OPPORTUNITIES OR OTHERWISE EVEN IF TM HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES) HOWSOEVER CAUSED ARISING OUT OF OR IN CONNECTION WITH THE GOODS. IN ANY EVENT, AGGREGATE LIABILITY OF TM WHETHER IN CONTRACT OR FOR NEGLIGENCE OR OTHERWISE HOWSOEVER TO THE RETAILER FOR ANY LOSS OR DAMAGE OF WHATSOEVER NATURE AND HOWSOEVER CAUSED SHALL BE LIMITED TO AND IN NO CIRCUMSTANCES SHALL EXCEED THE PRICE OF THE GOODS IN RESPECT OF WHICH THE CLAIM ARISES.
- 11.7 Nothing herein shall have the effect of excluding or restricting the liability of TM for death or personal injury directly resulting from its negligence nor for fraudulent misrepresentation or any liability which cannot by law be limited or excluded.
- 11.8 Nothing herein shall impose any liability upon TM in respect of any defect in the Goods arising out of the acts, omissions or negligence of the Retailer, its employees or agents.
- 11.9 The warranties set out in these terms shall be the exclusive warranties provided by TM to the Retailer and all conditions or warranties or other terms express or implied by statute or otherwise as to the quality of the Goods or their fitness for purpose or as to the correspondence of the Goods with any description or sample are hereby excluded to the fullest extent permitted by law.

12. Delivery

- 12.1 All times or dates given for delivery of the Goods are given in good faith but without any responsibility on the part of TM. Time of delivery shall not be of the essence of any Contract nor shall TM be under any liability for any delay beyond TM's control.
- 12.2 TM shall be entitled to delay or cancel delivery or to reduce the amount delivered if it is prevented from or hindered in or delayed in manufacturing, obtaining or delivering the Goods by normal route or means of delivery through any circumstances beyond its reasonable control, including but not limited to strikes, lock-outs, accidents, war, terrorism, fire, acts of God, reduction in or unavailability of power at manufacturing plant, breakdown of plant or machinery or shortage or unavailability of raw materials or components from normal sources of supply.

- 12.3 Where Goods are handed to a carrier for carriage to the Retailer any such carrier shall be an agent of TM and not of the Retailer for the purposes of sections 44, 45 and 46 of the Sales of Goods Act 1979.
- 12.4 TM shall have the right to make delivery by instalments of such quantities and at such intervals as it may decide and any express provision as to instalments in the Contract shall be in addition to and not in derogation of this right.
- 12.5 In the event that the Retailer refuses to accept delivery of Goods, for whatsoever reason, TM reserves the right in addition to any other claim it may have, to charge the Retailer carriage for the refused delivery both to and from the premises of the Retailer in addition to 20% of the value of the returned product as a handling fee. The 20% of the value of the returned product represents a genuine estimate by TM of the losses and expenses TM will incur in being required to handle the returned product.
- 12.6 If the Retailer fails to take delivery of the Goods or fails to give TM adequate delivery instructions then, without prejudice to any other right or remedy available to TM, TM may: (i) store the Goods until actual delivery and charge the Retailer for reasonable costs (including insurance of storage) or (ii) sell the Goods for the best price readily available and charge the Retailer for any loss suffered including storage and selling expenses.

13. New product launch dates

- 13.1 In relation to any new TM Products TM may wish to co-ordinate a launch date for such TM Products and will, prior to such date, advise the Retailers of the details of the products and will set two dates:
- (i) the first date will be referred to as the Communication Embargo Date; and
 - (ii) the second date will be referred to as the Product on Sale Date (or PAR date).
- 13.2 TM may provide related advertising material prior to the Communication Embargo Date and (if ordered) will endeavour to get the new product to Retailers on or prior to the Product on Sale Date, so that Retailers are ready for launch. In order to ensure a successful launch each Retailer must comply fully with the following provisions:
- (i) All information relating to the new product and all advertising materials must remain confidential and must not be disclosed to third parties including potential customers prior to the Communication Embargo Date. Retailers may only advertise and promote the new product on or after the Communication Embargo Date.
 - (ii) Retailers must not sell the new product before the Product on Sale Date.
 - (iii) Without the prior written consent of TM, on a case by case basis and within its absolute discretion, Retailers will not solicit orders for new TM Products from consumers either online or through its retail outlet until the Communication Embargo Date.

14. Application of commercial law

- 14.1 The Retailer undertakes to comply with all laws applicable to its area of business.
- 14.2 Without prejudice to the generality of clause 14.1, any Retailer who sells TM Products via the internet must operate its website(s) in accordance with all applicable laws and regulations and will provide the following to TM upon request:
- (i) Evidence of compliance with all applicable laws (including, without limitation, the Unfair Commercial Practices Directive, the Unfair Contract Terms Directive, the E-Commerce Directive, and the Consumer Rights Directive, as implemented by relevant national laws and as amended from time to time, and including equivalent UK legislation);
 - (ii) Evidence of compliance with all applicable laws from time to time relating to the processing of personal data and privacy, including without limitation (where applicable) the General Data Protection Regulation (EU) 2016/679 of the European Parliament ("**GDPR**"); any implementing acts in national laws; the Data Protection Act 2018 and the GDPR as incorporated into the law of England and Wales in the UK; and the Federal Act on Data Protection in Switzerland; and
 - (iii) Evidence of compliance with any future laws or regulations applicable to distance sales.

15. Advertising and marketing policies

- 15.1 The Retailer must establish and maintain, independently and in conjunction with TM, advertising and marketing policies in keeping with the integrity of the brand, as well as emphasising the high-quality characteristics of TM Products. The Retailer must comply with the brand and product identity guidelines as published in the TaylorMade Dropbox.
- 15.2 In order to protect the integrity of TM's Trademarks, trade names, logos, artwork, trade dress, and any other intellectual property, advertising of any kind using or depicting TM's Trademarks or any other TM intellectual property is subject to the approval procedure in clause 16.3 below. Notwithstanding TM's approval, the Retailer shall in any event remain responsible for ensuring that any advertising or display complies with any legal requirements and does not infringe any third party intellectual property rights or those of TM and complies with the current advertising and marketing guidelines.

16. Intellectual property

- 16.1 The Retailer acknowledges that it has no intellectual property rights and/or industrial property rights to, or over, the TM Products, the TM Trademarks or any of the TM intellectual property, whether or not registered. The Retailer further acknowledges that TMGC is the sole owner of all such rights and that any goodwill that arises from the Retailer's sale of the TM Products is owned by TM or TMGC.
- 16.2 The Retailer will notify TM of any infringement of the TM Trademarks or any of the TM intellectual property within seven days of the same coming to his knowledge.

- 16.3 The Retailer undertakes to not use or reproduce any of the TM Trademarks or any other TM intellectual property (including logos, trade names, trade dress, artwork, etc.) without first obtaining TM's prior written authorisation. Authorisation may be granted by the TM account manager. Such authorisation may be withheld by TM in its sole discretion and if such authorisation is given, it is given on a case by case basis and it will apply only to the specific use for which authorisation is sought and not to any future use of the TM Trademarks or any other TM intellectual property. TM may at any time withdraw its consent, and the Retailer agrees to cease or modify its use of the TM Trademarks or any other TM intellectual property in accordance with TM's instructions at the Retailer's expense.

17. Counterfeiting and unfair competition

- 17.1 The Retailer undertakes not to create, display or sell any product(s), the graphic or written representation or the technical or aesthetic appearance of which could be confused with, or infringe, the TM Products, TM Trademarks, designs, patents or any other TM intellectual property.
- 17.2 The Retailer, if it becomes aware of any counterfeiting, imitation, unauthorised use or act of unfair competition affecting TM Products, shall inform TM within seven days of becoming aware of it and provide assistance to TM if requested.
- 17.3 TM will be free (but not obligated) to bring, or settle, at its own expense and risk, any legal proceedings on the basis of counterfeiting, imitation, copyright, unfair or copycat competition or other IP infringement.

18. Term and termination

- 18.1 Without prejudice to clause 4 of Section One above, and without affecting any other right or remedy available to it and notwithstanding the Retailer's obligation to pay TM for any invoices already due and owing, TM may terminate a Contract with immediate effect by giving written notice to the Retailer if:
- (i) the Retailer fails to pay any amount due under the relevant Contract on the due date for payment and remains in default not less than eight days after being notified in writing to make such payment; or
 - (ii) the Retailer commits a material breach of any other term of the relevant Contract (including this DTP) which breach is irremediable or (if such breach is remediable) fails to remedy that breach within a period of eight days after being notified in writing to do so.
- 18.2 **Termination or suspension in case of insolvency events:** If:
- (i) the Retailer becomes bankrupt or has a bankruptcy petition presented against him or makes an assignment agreement or composition with creditors or suffers distress or process of execution to be levied on all or any of the property or assets of the Retailer; or

- (ii) a meeting is convened or resolution passed or a petition is presented (otherwise than for the purpose of a bona fide solvent reconstruction or amalgamation) to wind up the Retailer or receiver or administrative receiver or administrator is appointed in respect of the whole or any part of the assets or undertaking of the Retailer; or
- (iii) in the opinion of TM a serious doubt arises as to the future or present solvency of the Retailer; or
- (iv) the price of the Goods delivered or to be delivered by TM to the Retailer under this or any other Contract being Goods in respect of which payment has not been received from the Retailer exceeds the limit of credit that TM may have from time to time by notification in writing or otherwise afforded to the Retailer;

then TM shall be entitled with or without notice at the discretion of TM to either:

- (a) suspend any further deliveries until TM ceases to have serious doubts as to the future or present insolvency of the Retailer as the case may be; or
- (b) terminate any Contract then subsisting so far as any further Goods remain to be delivered without prejudice to any claim or right TM might otherwise claim; or
- (c) exercise and implement a "cash with order" policy,

in all cases notwithstanding the Retailer's obligation to pay TM for any invoices already due and owing.

18.3 Termination pursuant to this clause 18 is without prejudice, where applicable, to any other rights or remedies which may be pursued through the criminal or commercial courts. In addition, it is expressly agreed that TM shall not be liable to pay any compensation to the Retailer for loss of profits or loss of goodwill or for any other loss or damage howsoever arising as a result of the termination of the Contract for any cause whatsoever.

19. Withdrawal of discounts and retro payment

19.1 Without prejudice to TM's rights set out in clause 18 above, if:

- (i) the Retailer is in breach of any of its obligations set out in the DTP which are not remedied by the Retailer within eight days of written notice to do so; or
- (ii) if remedied, there is a further breach of any obligation within 12 weeks of the previous breach; or
- (iii) the Retailer is not compliant with then current Trade Terms; or
- (iv) if any of the events listed in clause 18.2 above are present;

then TM in its sole discretion may withdraw and not fulfil any discount or retro payment to the Retailer on all Goods and in relation to all outlets.

20. Severability and non-waiver

- 20.1 In the event that any of the provisions of the DTP are held to be illegal, invalid or unenforceable for whatever reason in any jurisdiction, it shall not affect:
- (i) the legality, validity and enforceability in that jurisdiction of any of the remaining provisions; or
 - (ii) the legality, validity and enforceability in any other jurisdiction of that or any other provision of the DTP.
- 20.2 TM shall replace such provision with a valid, lawful and enforceable provision, the effect of which is as close as possible to the intended effect of the provision held to be illegal, invalid or unenforceable.
- 20.3 The failure or delay of TM to require performance by the Retailer of any of the provisions, or to exercise its rights, under the DTP shall not constitute a waiver hereof by TM, nor shall such affect TM's rights to subsequently require performance of any of the provisions, or to exercise its rights, under the DTP.

21. No partnership, agency or joint venture

- 21.1 Nothing in the DTP shall constitute or be deemed to constitute a partnership, agency or joint venture between TM and the Retailer or constitute or be deemed to constitute the Retailer as the agent of TM for any purpose whatsoever and the Retailer shall not have any authority or power to bind TM or to contract in the name of or create a liability against TM.

22. Notices

- 22.1 A notice or other communication under the DTP shall only be effective if it is in writing and in English (or accompanied by a properly prepared translation into English).
- 22.2 Any notice shall be sent for the attention of the person, and to the address, e-mail or fax number specified below, provided that TM or the Retailer may change its notice details on giving advance notice to the other party of the change in accordance with this clause 22:
- (i) In the case of the Retailer, the address, fax or email as appears on the completed application form;
 - (ii) In the case of TM, the relevant TM Areas sales manager whose address, fax and email address will be advised to the Retailer and if not then to the Regional sales manager at the following address TaylorMade Golf Ltd, TaylorMade Court, Jays Close, Viabes Business Park, Basingstoke RG22 4BS UK.

22.3 Any notice given under the DTP shall be deemed to have been duly received:

- (i) if delivered personally, at the time of delivery; or
- (ii) if delivered by commercial courier, at the time of signature of the courier's delivery receipt; or
- (iii) if sent by fax or e-mail, at the time of transmission; or
- (iv) if sent by pre-paid first-class post or recorded delivery within the United Kingdom, 2 Business Days from the date of posting; or
- (v) if sent by pre-paid first-class post or recorded delivery overseas, as per TM's shipping lead times for overseas accounts.

No other method of service shall be permitted.

22.4 To prove service, it is sufficient to prove, in the case of fax, that the notice was transmitted by fax to the fax number of the relevant party or, in the case of post, that the envelope containing the notice was properly addressed and posted or, in the case of e-mail, that the notice was sent to the correct e-mail address and no non delivery message has been received.

22.5 For the avoidance of doubt, written notice includes notice sent by e-mail.

23. Confidentiality

23.1 The Retailer agrees to respect the confidentiality of all the information relating to TM and the TM Products obtained as a result of entering into a Contract under the DTP and/or acting as an Authorised Retailer of TM Products. The Retailer shall not use or disclose such TM confidential information except:

- (i) in proper performance of its obligations pursuant to the DTP and/or as an Authorised Retailer;
- (ii) to the extent that disclosure is required by law or by order of a court of competent jurisdiction;
- (iii) to its professional advisers provided they have a duty to keep such information confidential; or
- (iv) to the extent that the information has come into the public domain through no fault of the Retailer.

24. Entire agreement

24.1 This DTP, and such other documents or policies as referred to in this DTP, shall constitute the entire understanding and agreement between TM and the Retailer regarding distribution of TM Products. The terms of this DTP supersede any and all prior

agreements (and related amendments) between TM and the Retailer or understandings reached, whether orally or in writing, related to the distribution of TM Products.

- 24.2 Each order that the Retailer places for TM Products with TM shall be governed by the DTP as published on the TaylorMade Portal at the date when the order is accepted by TM and any terms stipulated by TM in connection with such order.
- 24.3 No statement, description, information, warranty, condition or recommendation contained in any catalogue, trade terms, price list, advertisement or communication or made verbally by any of TM's agents or employees shall be construed to enlarge, vary or override in any way the DTP.

25. Jurisdiction and governing law

- 25.1 The DTP are governed by English law. Any matter, claim or dispute arising out of or in connection with the DTP, whether contractual or non-contractual, is to be governed by and determined in accordance with English law. The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with the DTP (including a dispute regarding the existence, validity or termination of the DTP) (a "**Dispute**"). The Retailer and TM agree that the courts of England are the most appropriate and convenient courts to settle Disputes and shall not argue to the contrary.

Annex A: Authorised Retailer Application

This application form should be completed if you are:

- a) A new account and wish to become an Authorised Retailer.
- b) An existing Authorised Retailer but you wish to sell via a new retail outlet or website, or if you are a Soft Goods Authorised Retailer who wishes to become a Hard Goods Authorised Retailer.

In the case of (b) above your existing authorisation will continue and you are only required to complete the details in Annex A which relate to your “new” activities, there is no need to mention the activities for which your current authorisation covers. Please insert your existing Authorised Retailer reference number in the relevant box in the application form so that TM can check your current authorisation.

APPLICATION FORM

This section sets out the details of you, the retailer (“**Retailer**”), the types of TM Product you wish to sell, and the mode of selling (i.e. either through a “bricks and mortar” shop and/or the internet). Please complete any sections where requested, sign and return this application form to the Area Sales Manager. Any incomplete sections may result in the application not being accepted and processed.

By submitting this application, I confirm that I have read and understood the DTP as published on the TaylorMade Portal and I agree to be bound by the terms of the DTP as updated from time to time.

Retailer name:		<i>Existing Retailer Number (where applicable):</i>	
Contact name (if different):			
Retailer Primary address:			
Email address:		Tel:	

MODE OF SALE *please delete as appropriate

Are you applying to be an authorised bricks and mortar retail outlet?	Y / N*	Is the primary address listed above the address of the bricks and mortar retail outlet?	Y / N*
Please insert the address of any other golf outlet you want considered for approval and the name if different			
Are you applying to be an Approved Internet Retailer?	Y / N*	Please provide the name of the website(s) and its address(es)	

PRODUCTS Please tick the relevant boxes and circle product categories that apply – please note that if you wish to sell TM Current Hard Goods you must sell via a retail outlet in order to also qualify to sell via the internet – this is not necessary if you apply to sell only TM Current Soft Goods. Please see Section One above for further details.

Do you want to sell TM Current Hard Goods TaylorMade ☐ Via retail Outlet ☐ via internet ☐	Drivers, fairways, irons, rescue, wedges, putters
Do you want to sell TM Current Soft Goods TaylorMade ☐ Via retail Outlet ☐ via internet ☐	Balls, bags, luggage and accessories (caps, pitchmark repairers etc.)

Signed for the Retailer

Signature _____ **Date** _____

Name _____

By signing above, you represent and warrant that you are duly authorised to do so on behalf of the Retailer.

Authorised By TM

Signature _____ **Date** _____

Name _____

Annex B: Stock Maintenance Programme

Introduction: The TM Stock Maintenance Program (the “**SMP**”) is intended to ensure that the Authorised Retailer is able to meet consumer demand for TM Products throughout Europe and is also able to represent the range of TM Products appropriately. The SMP applies only to Authorised Retailers as defined in Annex E.

Application of SMP: The SMP shall not apply to closeout and non-current TM products. The SMP applies in relation to product types (for example drivers, fairway, utility, iron sets, putters or wedges) and shall not apply for a period of six weeks before a new product type PAR date to allow the Retailer to clear stock of that product type in readiness for the new product.

Minimum stock levels: The minimum units or sets (as applicable) that an Authorised Retailer must have in stock at all times varies according to the mode of distribution (bricks-and-mortar outlet or internet sales) and the nature of the TM Products (TM Current Hard Goods or TM Current Soft Goods). TM reserves the right to update the minimum stock levels from time to time and the current requirements will be published on the TaylorMade Portal.

Table A: Minimum stock of TM Current Hard Goods for brick-and-mortar outlets of Hard Goods Authorised Retailers (per outlet):

Driver	Fairway	Utility	Iron sets	Putters	Wedges
4	2	2	2	2	2

Table B: Minimum stock of TM Current Hard Goods for Hard Goods Approved Internet Retailers:

Driver	Fairway	Utility	Iron sets	Putters	Wedges
40	24	24	24	24	24

Table C: Minimum stock of TM Soft Goods for Authorised Retailers:

Bags	QTY 20 per model
Balls	QTY 24dz per model (All inline models must be stocked)
Caps	QTY 12 per model
Accessories	A minimum of 12 units of each item stocked

Hard Goods: Within the individual categories of TM Current Hard Goods, the Authorised Retailer has discretion to decide which models to stock, so long as the current range of product is represented within the minimum stock levels in Table A or Table B above, but the Authorised Retailer may stock more of one particular product as demand dictates.

Internet sales: The Approved Internet Retailer must stock the full range of TM Products it advertises for sale on its website.

For Approved Internet Retailers who have a brick-and-mortar outlet (which will be all Hard Goods Approved Internet Retailers and may include Soft Goods Approved Internet Retailers), all minimum stock must be located in one bricks-and-mortar retail outlet site run and controlled by the Approved Internet Retailer to ensure swift dispatch to the consumer. Any stock over and above the minimum levels may be located at different bricks-and-mortar sites run and controlled by the Approved Internet Retailer.

The Approved Internet Retailer must not dispatch shop soiled TM Products to the consumer and must use either TM original packaging or generic unmarked packaging, or the Approved Internet Retailer's own branded packaging when sending TM Products to the consumer (for the avoidance of doubt the Approved Internet Retailer must not use boxes or packaging displaying branding from other golf equipment manufacturers or other third parties).

Non-compliance with minimum stock levels: Where an Approved Internet Retailer runs an internet site but cannot or does not want to comply with the minimum internet stock levels above but its bricks-and-mortar retail outlet can comply with the minimum retail outlet stock levels then, without prejudice to TM's rights, and subject to TM allowing the Approved Internet Retailer to continue its authorised status as a bricks and mortar retail outlet, then the Approved Internet Retailer may continue to advertise TM Products on its website provided:

- (a) it does not allow e-commerce sales through the website and the website is merely used to advertise TM Products it sells from its retail outlet; and
- (b) it stocks all product it advertises.

Annex C: European Freight and Return Policy

1. Application of minimum order threshold

- 1.1 TM operates a minimum order threshold on all standard sales orders, the conditions of which are set out below. If an order does not meet the minimum order threshold, a freight charge will apply (as set out below).
- 1.2 The aim of such a policy is to create a more consolidated, streamlined distribution process enabling TM to work more efficiently with its Retailers. This will result in a reduced number of transactions with regards to sales orders, deliveries and invoices with freight costs remaining free of charge for all orders that meet the minimum order value.

Minimum Order Criteria

- 1.3 Sales orders must exceed the following sales order value thresholds¹ (at list price):

Currency	Minimum order value
Sterling	100.00
Euro	120.00
Swedish Krona	1,300.00
Danish Krone	850.00
Norwegian Kroner	1,300.00

Freight Charge

- 1.4 Orders that do not meet the above minimum value threshold will be liable to a freight charge.² The table below sets out the current freight charges. TM reserves the right to update the charges from time to time. The current freight charges will be posted on the TaylorMade Portal and an order will be subject to the freight charges applicable as at the date when the order is accepted by TM.

Currency	UK & Ireland	Ireland & EU destinations	Non-EU destinations
Sterling	£10		
Euro		€20	
Swedish Krone		250 SEK	
Danish Krone		170 DKK	
Norwegian Krone			650 NOK

¹ The values tabled above are shown before the addition of VAT or any local sales tax.

² Freight charges are only liable on the first shipment of any one order, freight will not be charged on second and subsequent shipments to complete a single order.

Express Freight Charge

- 1.5 Retailers can request express freight delivery. Additional freight costs are added to the order at point of entry or at the time of the Retailer's request for expedited freight or special services. Details are available through the sales office of TM.

2. Returns

Good Stock Returns (returns by Retailers)

- 2.1 **Process for good stock returns:** Subject to Section Two (General Terms of Sale), in all cases the Retailer is to first contact the respective TM Area Sales Manager ("**ASM**") to request authorisation to return TM Products. Following the ASM's agreement, TM will arrange for collection and will provide a valid return reference number which must be quoted on the shipment documentation and be clearly visible on the outside of the box or boxes used to return the goods. Only the agreed products and quantities can be returned.
- 2.2 In all cases where products are returned for any reason other than a valid product warranty claim or an order where TM was at fault, TM reserves the right to charge the Retailer for the cost of collection and return.
- 2.3 **Inspection of returned goods:** Upon arrival at TM, the product will be inspected. Should the return be categorised as any of the following (an "**Unauthorised Return**"), TM reserves the right to reject the return and ship the product back to the Retailer at the Retailer's expense:
- (a) Product scratched or marked.
 - (b) Product incomplete and missing parts such as head cover or tool kit.
 - (c) Unauthorised product included in the shipment.
 - (d) Return reference number missing from documentation and box.
- 2.4 Additionally, TM may at its discretion, and in line with policy changes from time to time, apply a handling fee to any Unauthorised Return. Such handling fee shall be equal to 20% of the value of the return and will represent a genuine estimate by TM of the losses and expenses TM will incur in being required to handle the returned product.
- 2.5 Furthermore, TM reserves the right to charge a fee in order to cover TM's costs of re-working any returned goods before returning to stock. The level of the charge will be determined by the Returns Team dependent on the level of work needed.

Warranty Returns (returns by Consumers via Retailer)

- 2.6 **Process for warranty returns:** Subject to Section Two (General terms of sale), in all cases the Retailer is to first contact their TM Sales and Service Executive ("**SSE**") or ASM to provide full details of the product and fault.

- 2.7 The Retailer or consumer must be able to provide proof of purchase for the product that clearly states the date of purchase. This can be an original receipt or bank statement that clearly shows the transaction.

(A) Hard Goods

- 2.8 In the case of TM Hard Goods, the SSE will establish whether or not the club should be returned for inspection or replaced straight away.
- 2.9 The Retailer may be asked to provide supporting evidence, such as photographic evidence, before any number is issued. The Retailer must obtain a warranty reference number from their Sales and Service team. If the club is to be replaced, a replacement warranty number will be issued and the new club shipped along with a Returns label. This label must be used to return the faulty club to TM within 30 days of the returns creation. If the product is not returned within the 30 days specified then the Retailer will be charged for the replacement products. TM reserves the right to request any goods back before replacements are issued to the Retailer.
- 2.10 If the club is to be inspected, then the Retailer will be issued a repair warranty reference number from their SSE and should return the products to TM using a prepaid courier label which will be issued to them. Each club/set will require a unique warranty reference.
- 2.11 TM Hard Goods which have undergone conventional club modifications (e.g. reshafting, regripping) will only be covered by the warranty policy if such modifications were carried out by an authorised TM club modifier. Unauthorised third party modifications will invalidate the warranty.
- 2.12 Upon receipt, TM will inspect the club and make a decision with regard to whether the fault is covered under warranty (see 2.18 below). If the club is under warranty, it will be repaired free of charge, or where no repair is possible replaced with the same or current equivalent model.
- 2.13 If the club is deemed not to be under warranty the Retailer will be contacted and advised of this before any works or charges have been applied. If the club is deemed not to be under warranty but a repair would be possible, TM may offer to carry out this repair for a chargeable fee. In this instance the Retailer will be notified before any work is carried out. All work carried out on clubs by TM is guaranteed for one year.

(B) Soft Goods

- 2.14 The TM Soft Goods warranty covers material faults only and not general 'wear and tear'. In the case of TM Soft Goods, the SSE or ASM will determine if the warranty is to be agreed. If the warranty is agreed, a replacement product of equal or greater value will be shipped to the Retailer.
- 2.15 A credit will only be issued if no replacement can be offered, or a specific arrangement has been agreed with that Retailer.

- 2.16 On request of TM, any faulty products must be returned to TM and a collection label will be provided to facilitate this. For goods not being returned to TM, the Retailer must retain this product for 6 weeks to allow for inspection by their ASM. After this period the goods must be destroyed.
- 2.17 The warranty period remains valid from the initial purchase date and does not restart from the receipt of the replacement product.
- 2.18 **Inspection of returned goods:** The product will be inspected. Should the return be categorised as any of the following ("**Unauthorised Warranty Return**"), TM reserves the right to reject the return and ship the product back to the Retailer at the Retailer's expense:
- (a) Product which does not qualify under the TM warranty policy.
 - (b) Unauthorised product included in the shipment.
 - (c) Return reference number missing from documentation and box.
- 2.19 Additionally, TM may at its discretion, and in line with policy changes from time to time, apply a handling fee to any Unauthorised Warranty Return. Such handling fee shall be equal to 20% of the value of the return and will represent a genuine estimate by TM of the losses and expenses TM will incur in being required to handle the returned product.

3. Pallets

- 3.1 Where it is appropriate to deliver the goods on pallets, the Retailer is liable, at the time of delivery, to exchange on a one-for-one basis, pallets of a similar condition and type. Where the Retailer does not return a pallet of similar condition and type, TM reserves the right to charge the Retailer the cost of replacement.

Annex D: European Warranty Policy

TM offers consumers a comprehensive warranty, aligned with current European legislation. This warranty operates through TM's Retailers in Europe and is provided for the benefit of the original end consumer of the TM Product.

All TM Hard Goods carry a two-year manufacturer's warranty and all TM Soft Goods carry a one-year manufacturer's warranty unless otherwise specified, which is valid from the point of purchase by the consumer.

The warranty terms are posted on the TaylorMade EU website.

The warranty terms are aligned with the provisions on warranty returns in Annex C above, but TM reserves the right to make changes from time to time to its European warranty policy and the policy in force and published at the above link at the time the product is sold to the end consumer shall apply and take precedence over any conflicting terms in this DTP unless the product packaging specifies differently. A copy of the latest policy will be provided upon written request to TM.

Annex E: Definitions

“Advertising”	means any form of promotion, notification, display, publication or otherwise relating to TM Products in whatever format and by whatever means including but not limited to the internet, brochures, fliers, posters, television, text and other wireless messaging, media advertising, social media or otherwise;
“Application Form”	means the application form to become an Authorised Retailer set out in Annex A;
“Approved Internet Retailer”	means anyone who is either a Hard Goods Approved Internet Retailer or a Soft Goods Approved Internet Retailer;
“ASM”	means the TaylorMade Area Sales Manager;
“Authorised Retailer”	means a Retailer who is authorised to sell either TM Current Soft Goods, or TM Current Soft Goods and TM Current Hard Goods, pursuant to Section One of the DTP;
“Business Day”	means, for the purposes of clause 22 of Section Two, a day other than a Saturday, Sunday or public holiday in the recipient’s jurisdiction;
“Contract”	means the contract between TM and the Retailer for the sale and purchase of the Goods;
“DTP”	means the terms and conditions and policies set out in Sections One and Two and Annexes A to E of this document, as updated from time to time by TM;
“Goods”	means TM Products (or any instalment or part of them) sold by TM to the Retailer and including but not limited to those Goods for which payment has not been received by TM;
“GTS”	means the general terms of sale set out in Section Two of the DTP;
“Hard Goods Approved Internet Retailer”	has the meaning given in Section One, clause 11.1;
“Hard Goods Authorised Retailer”	means a Retailer who is authorised to sell both TM Current Soft Goods and TM Current Hard Goods;
“Hard Goods Selective Distribution System”	means the selective distribution system for the sale of TM Current Hard Goods;
“Online Marketplace”	means an online platform which connects merchants and potential customers with a view to enabling direct purchases on the platform but excludes: (i) the Approved Internet Retailer’s own website; and (ii) online platforms that offer no direct purchasing functionality and that re-direct customers to other websites (including the Approved Internet Retailer’s own website) where products can be purchased;
“PAR date”	means the date communicated to Retailers pursuant to clause 13.1(ii) of Section Two;
“Relevant Territories”	Means: (i) the thirty countries comprising the EEA as at 1 January 2024, being Austria, Belgium, Bulgaria, Croatia, Republic of

	Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Iceland, Italy, Latvia, Lichtenstein, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden, as well as any countries who may join the EEA after this date; (ii) the UK; and (iii) Switzerland;
“Retailer”	means a retailer who purchases TM Products for the onward sale to consumers;
“SSE”	means the TaylorMade Sales and Service Executive;
“Soft Goods Approved Internet Retailer”	has the meaning given in Section One, clause 8.1;
“Soft Goods Authorised Retailer”	means a Retailer who is authorised to sell TM Current Soft Goods;
“Soft Goods Selective Distribution System”	means the selective distribution system for the sale of TM Current Soft Goods;
“TaylorMade Portal”	means the internet site operated by TM and accessible only to Retailers through a secure log-in;
“TM”	means TaylorMade Golf Limited;
“TMGC”	means TaylorMade Golf Company, Inc.;
“TM Current Goods”	means TM Current Hard Goods and TM Current Soft Goods;
“TM Current Hard Goods”	has the meaning given in Section One, clause 2.1;
“TM Current Soft Goods”	has the meaning given in Section One, clause 2.1;
“TM Hard Goods”	means the following TaylorMade branded products: drivers, fairways, irons, rescue, wedges, putters;
“TM Products”	means TaylorMade branded products including TM Hard Goods and TM Soft Goods;
“TM Soft Goods”	means the following TaylorMade branded products: balls, bags, luggage, apparel and accessories;
“TM Trademarks”	means the TaylorMade brand and all its derivatives and the related trademarks;
“Trade Terms”	means the standard trading terms issued by TM to Retailers annually setting out the conditions to be met in order to be eligible for certain beneficial trade terms or discounts.