

# RESELLER LICENSE AGREEMENT

## RM-38 ("Karbolyn"®)

This Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2019 (hereinafter "Effective Date"), by and between All American Pharmaceutical & Natural Foods Corporation, a Montana Corporation having offices located at 2376 Main Street, Billings MT 59105, USA (hereinafter "AAP") and IAF NETWORK SRL, a company having offices located at VIA FLERO 46, 25125 BRESCIA, ITALY and with registered company VAT number IT02424060982 (hereinafter "IAF").

### 1. RECITALS

- 1.1 By assignment from the inventor AAP is owner of the Patent Rights and the Trade Marks for an oral carbohydrate supplement retail-branded as Karbolyn® (as later defined herein) and the method for making the same.
- 1.2 IAF desires to obtain a limited license to the Patent Rights and use of certain AAP Trade Marks:
  - (i) to use AAP's raw material RM-38 in IAF's Finished Products (as later defined herein); and
  - (ii) to make use of a certain AAP Trade Mark to market and sell those Finished Products under AAP's retail-brand "Karbolyn"® within the Fields of Use (as later defined herein); and
  - (iii) to market and sell those Finished Products under the retail-brand "Karbolyn"® within the Territory.
- 1.3 AAP desires to grant to IAF a limited license in accordance with the Patent and Trade Mark Rights:
  - (i) to use AAP's proprietary raw material RM-38 (hereinafter KARBRM-38) in IAF's Finished Products in accordance with the terms and conditions set forth in this Agreement; and
  - (ii) to use certain AAP Trade Marks (as later defined herein) which relate to Karbolyn® and to KARBRM-38 for the sole purpose of exploiting the Patent Rights licensed to it under this Agreement; and
  - (iii) to make use of AAP's retail-brand "Karbolyn"® to market and sell IAF's Finished Products containing AAP's KARBRM-38 in accordance with the terms and conditions set forth in this Agreement.

### THE PARTIES AGREE AS FOLLOWS:

### 2. DEFINITIONS

- 2.1 "Karbolyn®" is the trade-marked retail-branding of AAP's proprietary patent-pending carbohydrate.
- 2.2 "KARBRM-38" means the raw material related to Karbolyn® supplied by AAP under its product code RM-33.
- 2.3 "Patent Rights" means the patents and patent applications, granted patents issuing from such patents and/or applications, all pending international patents relating to them and any continuations, divisions, re-issues, re-examinations and extensions of all such patents and any other patents or patent applications that may be notified by AAP to IAF from time to time.
- 2.4 "Trade Marks" means all registered trade marks and trade mark applications and other devices and get ups owned by AAP that IAF is licensed to use under this Agreement, details of which are set out in Schedule 1, together with any further registrations of such trade marks related to KARBRM-38 which AAP may obtain within the Term and which are notified in writing by AAP that IAF may use them.
- 2.5 "Fields of Use" means the wholesale and retail trade of Finished Products for health and well being, body development and performance enhancement supplements.
- 2.6 "Finished Products" means goods that have received the final manufacturing processes and are ready to retail.
- 2.7 "Term" means five (5) years from the Effective Date.
- 2.8 "Territory" means all countries excluding the countries of the United States of America and Canada.

### 3. GRANT OF RIGHTS

- 3.1 AAP hereby grants and IAF hereby accepts, for the duration of the Term, a limited non-exclusive license to the Patent Rights, to:

- 3.1.1 market and sell under AAP's retail-branded "Karbolyne"® Finished Products bearing the Karbolyne® Trade Mark, acquired by IAF in accordance with clause 4.1, in the Territory; and
- 3.1.2 use KARBRM-38 acquired by IAF in accordance with clause 4.1 in IAF's Finished Products in capsule and/or powder form and market and sell those Finished Products containing KARBRM-38 under AAP's retail-brand Karbolyne® in the Territory within the Fields of Use.
- 3.2 Other than the rights specifically granted in clause 3.1 this Agreement confers no license or rights by implication, estoppels or otherwise under any patent applications or patents of AAP regardless of whether such applications or patents are dominant or subordinate to the rights granted in clause 3.1.
- 3.3 AAP grants to IAF a non-exclusive licence to use the Trade Marks in connection with the exercise of the rights granted to IAF under clause 3.1 in the Territory for the Term of and in accordance with the terms of this Agreement. In exercising its rights to use of the Trade Marks, IAF shall not:
- 3.3.1 use the Trade Marks or retail-brand for purposes other than those authorised in this Agreement; or
- 3.3.2 do or omit to do anything to diminish the rights of AAP in the Trade Marks or impair any registration of the Trade Marks; or
- 3.3.3 adopt or use any trade mark, symbol or device that incorporates or is confusingly similar to, or is a simulation or colourable imitation of the Trade Marks, or unfairly competes with the Trade Marks.
- 3.4 Other than the rights specifically granted in clause 3.3 this Agreement confers no license or rights by implication, estoppels or otherwise under any trade mark applications or trade marks of AAP, regardless of whether such trade marks or applications are dominant or subordinate to the rights granted in clause 3.3.
- 3.5 At all times, and in exercising its rights under clauses 3.1 and 3.3, IAF must not in any way:
- 3.5.1 Purchase or request to purchase or sell or request to sell any product which has or will have been diluted or contaminated by any other substance or material that purports to be the same as KARBRM-38 or blend or mix KARBRM-38 with any other form of carbohydrate, or blend or mix KARBRM-38 with any other product, mixture or formula containing any other form of carbohydrate unless agreed to in writing by AAP;
- 3.5.2 market, offer, pass off or attempt to pass off any other form of carbohydrate or any other source of carbohydrate as KARBRM-38 or Karbolyne®;
- 3.5.3 sell products under the retail-brand Karbolyne® except Finished Products containing KARBRM-38;
- 3.5.4 sell any goods containing KARBRM-38 into the markets of the USA or Canada nor allow the sale of such goods to any third party that exports these goods into the USA or Canada; or
- 3.5.5 sell any product containing KARBRM-38 in any quantity exceeding 1kg of powder or 1000 capsules or 1000 tablets to any third party without obtaining AAP's prior written approval; or
- 3.6 No approval given to IAF by AAP in accordance with clause 3.5 shall constitute a warranty or representation as to the quality, efficacy or safety of:
- (i) any products acquired by IAF in accordance with clause 4.1 or otherwise; or
- (ii) any final products submitted by IAF to AAP for testing.
- 3.7 AAP reserves the right to keep certain formulas or delivery methods exclusive to a certain brand and IAF will not copy or use any formula that AAP has notified it in writing to be an exclusive formula.

The rights granted to IAF under clauses 3.1 and 3.3 cannot be sub-licensed by IAF.

#### 4. PURCHASE AND PAYMENT

- 4.1 IAF will only purchase KARBRM-38 in Finished Product form:
- (a) from an authorised manufacturer permitted to handle and package AAP's KARBRM-38 for retail sale and branded as Karbolyne®, as may be notified to IAF by AAP from time to time; or
- (b) direct from AAP.
- 4.2 In consideration for the rights and privileges granted to IAF by this Agreement, if IAF orders Finished Products containing KARBRM-38 directly from AAP in accordance with clause 4.1(b), IAF agrees to pay to AAP the appropriate prices specified in its then current finished products price sheet and to enter into a

separate purchase agreement with AAP.

- 4.3 When purchasing direct from AAP, any amounts payable by IAF to AAP pursuant to this Agreement must be paid by IAF in United States of America Dollars without deductions for taxes, assessments, fees or charges of any kind.
- 4.4 No amounts due to AAP under this Agreement will be reduced as a result of co-ownership of the Patent Rights by AAP with a third party.
- 4.5 When purchasing from an authorized manufacturer any amounts payable by IAF to the authorized manufacturer for Finished Products made for IAF are to be paid in the currency that they specify.

## 5. COMMERCIALIZATION AND DILIGENCE REQUIREMENTS, AND RECORDS

- 5.1 Each party agrees to work in good faith with the other party and to use reasonable efforts to commercialize retail-branded Karbolyn® Finished Products within the Fields of Use. In particular, the parties agree that:
  - 5.1.1 AAP will at its own expense:
    - (i) either directly in Finished Product form, or through the manufacturers described in clause 4.1 make available KARBRM-38 to be made into Finished Product form, in quantities that AAP in its sole discretion deems commercially reasonable;
  - 5.1.2 IAF will at its own expense:
    - (i) use its best efforts to generate orders and grow the market in the Territory for KARBRM-38 in capsule and/or powder form retail-branded as Karbolyn®, as provided by AAP or one of its authorized manufacturers, within the Fields of Use and using the Trade Marks.
- 5.2 IAF agrees to maintain and keep an accurate list of all products containing KARBRM-38 that IAF uses or has used, makes or has made, manufactures or has manufactured, prepares or has prepared, distributes or has distributed, and sells or has sold.
- 5.3 The records required to be kept and maintained by IAF in accordance with clause 5.2 shall be retained by IAF for at least the legally required period of two (2) years following the Effective Date (or any other period as may be required from time-to-time under any applicable local laws or regulations). They shall be made available during normal business hours for inspection for tracking purposes by AAP or other designated auditor selected by AAP at the expense of AAP.

## 6. TERM, TERMINATION AND MODIFICATION OF RIGHTS

- 6.1 This Agreement is effective as of the Effective Date and shall extend to the end of the Term and shall renew for a further Term automatically each anniversary, unless sooner terminated by either party.
- 6.1 In the event that IAF is in default in the performance of any material obligations under this Agreement, and if the default:
  - (i) is a default capable of being remedied and has not been remedied within thirty (30) days after the date of notice in writing from AAP to IAF of such default; or
  - (ii) is a default not capable of being remedied,

AAP may:

- (a) terminate this Agreement by written notice, with termination to be effective from the date of the notice; and
  - (b) require IAF to immediately recall the relevant batch or batches of product(s) from the market and destroy it/them within 21 days.
- 6.2 The parties agree that for the purposes of this clause 6, material obligations includes (but is not limited to) those obligations of IAF set out in clauses 3, 4, 5, 7, 11, and 13 that accordingly a default of material obligations includes (but is not limited to) IAF's failure to pay a purchase order when due.
  - 6.3 Unless this Agreement has been terminated under clause 6.1 and notwithstanding expiration of the Term, IAF shall remain entitled to exercise its rights granted under clauses 3.1 and 3.3 for products that have been manufactured or purchased prior to the expiry of the Term.
  - 6.4 A party to this agreement must inform the other in writing of any intention to file a petition in bankruptcy (or any equivalent document in its local jurisdiction) relating to IAF, at least thirty (30) days prior to filing such petition.
  - 6.5 In the event that either party becomes insolvent, files a petition in bankruptcy, has such a petition filed against

it, determines to file a petition in bankruptcy, or receives notice of a third party's intention to file an involuntary petition in bankruptcy, each party shall immediately notify the other in writing. If either party receives such notice from the other, it may terminate this Agreement immediately.

- 6.6 Subject to clause 6.9, either party shall have the right to terminate this Agreement by giving the other party sixty (60) days' written notice to that effect.
- 6.7 If this agreement is terminated by AAP pursuant to clause 6.6, IAF shall have the right to either continue selling the remainder of the Karbolyn® inventory in its facility and continue to use the Trade Marks in accordance with clause 3.3 in relation to marketing or selling the remaining material until all remaining stocks are depleted; or return to AAP at IAF's cost the remainder of the Karbolyn® inventory in its facility and be entitled to receive refund at the same price the inventory was purchased for.
- 6.8 IAF shall not be entitled to terminate this Agreement under clause 6.7 if any circumstances prevail that entitle AAP to terminate this Agreement in accordance with clause 6.1 or clause 6.10.
- 6.9 AAP shall have the right to immediately terminate or modify, at its option, this Agreement if IAF has wilfully made a false statement of, or wilfully omitted, a material fact in any report or information required by AAP that AAP is entitled to require according to this agreement or that IAF has provided to AAP and in reliance of which AAP has entered into this Agreement.
- 6.10 Upon termination of this Agreement for any reason, all obligations hereunder shall cease except those described in clauses 3.3, 3.5, 3.8, 5.2, 5.3, 7, 10, 11, 14.1-14.3 and 14.4 hereof, which shall survive the termination of this Agreement, except that nothing herein shall be construed to release either party from any obligation which matured prior to the effective date of termination.
- 6.11 Within fifteen (15) days of any termination, each party shall return all information supplied to it by the other party as well as all written data, notes, drawings and copies thereof prepared by it based on such information.
- 6.12 No waiver by any party hereto of any breach of this Agreement will constitute a waiver of any subsequent breach, and no exercise by either party hereto of any right of termination will constitute a waiver of any remedy of such party for recovery of damages or of any other right of such party.

## 7. CONFIDENTIALITY

- 7.1 The parties agree that all information contained in documents marked "confidential" and forwarded to one by the other, and in particular the information relating to KARBRM-38 and Karbolyn® provided by AAP to IAF ("Confidential Information"):
- (i) are to be received and held in strictest confidence; and
  - (ii) used only for the purposes of this Agreement; and
  - (iii) not disclosed by the recipient party (except as required by law or court order), its agents or employees without the prior written consent of the other party, except to the extent that the recipient party can establish competent written proof that such information:
    - (a) was in the public domain at the time of disclosure; or
    - (b) later became part of the public domain through no act or omission of the recipient party, its employees, agents, successors or assigns; or
    - (c) was lawfully disclosed to recipient party by a third party having the right to disclose it; or
    - (d) was already known by the recipient party at the time of disclosure; or
    - (e) was independently developed by the recipient without use of the other party's confidential information; or
    - (f) is required by law or regulation to be disclosed.
- 7.2 The parties further agree not to use the Confidential Information provided by either party for any purpose other than for the purpose of carrying out its obligations under this Agreement, and to treat the information as most valuable, confidential and privileged information, and at least in the same fashion it would treat its own most valuable, confidential and privileged information, revealing said Confidential Information only to those in its employ who have the need to possess said Confidential Information for the purposes of this Agreement and then only after such employee(s) have undertaken to comply with the terms and conditions of this Agreement.
- 7.3 For the purposes of this Agreement, Confidential Information includes, but is not limited to, information relating to processes, products, raw materials, methods, manufacturing details, business ideas and marketing,

clinical, customer and sales data relating to or bearing on KARBRM-38 and Karbolyn®.

- 7.4 The obligation of confidentiality in this clause will exist while this Agreement is in force and for a period of five (5) years following the end of the Term or termination of this Agreement, whichever is the earlier.

## 8. NOTICES AND OTHER COMMUNICATIONS

- 8.1 Any notice or other communication pertaining to this Agreement will be deemed given when delivered or mailed, certified first-class and postage prepaid, return receipt requested, to the following address or to such other address as either party may notify the other in writing.

In the case of AAP:

All American Pharmaceutical & Natural Foods, Corporation  
2376 Main Street, Billings, MT 59105, USA  
Attention:

In the case of IAF:

IAF NETWORK SRL,  
VIA FLERO 46, 25125 BRESCIA,  
ITALY  
Attention:

## 9. REPRESENTATIONS AND WARRANTIES

- 9.1 IAF represents and warrants to AAP that:

- (i) IAF NETWORK SRL is a company validly existing and in good standing under the laws of ITALY.
- (ii) Execution and delivery of this Agreement have been duly and validly authorized and all necessary action has been taken to make this Agreement a legal, valid and binding obligation of IAF NETWORK SRL.

- 9.2 AAP represents and warrants to IAF that:

- (i) AAP is a corporation duly incorporated, validly existing and in good standing under the laws of the state of Montana.
- (ii) The execution and delivery of this Agreement have been duly and validly authorized, and all necessary action has been taken to make this Agreement a legal, valid and binding obligation of AAP.

- 9.3 AAP does not warrant the validity of the Patent Rights or the Trade Marks and makes no representations whatsoever with regard to the scope of the Patent Rights or the Trade Marks, or that the Patent Rights or Trade Marks may be exploited without infringing other patents, trade marks or other intellectual property rights of third parties.

- 9.4 AAP does not represent that it will commence legal actions against third parties infringing the Patent Rights or Trade Marks.

## 10. MUTUAL INDEMNITY

- 10.1 Each party shall indemnify and hold the other (including the other's directors, officers, employees, agents, and representatives) harmless from and against all liability, claims, demands, damages or causes of action whatsoever, expenses, costs of lawsuit, costs of attorney's fees and losses, including without limitation those costs arising on account of any injury or death of persons or damage to property caused by, or arising out of, or resulting from, the exercise or practice of the rights granted hereunder or any breach of contract, negligent act or omission by the party.

- 10.2 Each party shall at all times carry insurance or self-insurance sufficient to cover its contractual obligations with respect to activities performed under this Agreement. Each party shall provide evidence of this coverage to the other upon the other's written request.

## 11. MARKING AND ACCURATE LABELLING

- 11.1 IAF will permanently and legibly mark, or cause and ensure to be permanently and legibly marked, all packaging for KARBRM-38 sold under the Karbolyn® brand, all labels, advertising, marketing, publicity and promotional material dealing with KARBRM-38, with the appropriate patent notices and the Trade Marks that relate to KARBRM-38 in accordance with each country's patent laws, including the following statements in print of at least 4-point size:

"Karbolyln®" is a registered trade marks of All American Pharmaceutical and Natural Foods Corporation. Karbolyln® is a patent pending product. International patents pending. All rights reserved."

11.2 IAF will ensure that all Finished Product labels, advertising, marketing, publicity and other promotional material as to specific content of KARBRM-38 in all products made, manufactured or otherwise prepared for IAF are accurate. In particular, IAF must ensure that:

11.2.1 statements and representations as to the presence and content of KARBRM-38 in such products are true.

11.3 In the event IAF is found to have breached its obligations under clause 11.2, AAP at its sole discretion may issue written notice requiring IAF to take all steps necessary to repair the breach, or warn IAF that future batches found to be labelled inaccurately could result in modification of IAF's rights under the Agreement, or immediately terminate the Agreement in accordance with clause 6.

## 12. INFRINGEMENT BY THIRD PARTIES

12.1 The parties agree to notify each other in writing promptly of each infringement or possible infringement of the Patent Rights or the Trade Marks, as well as any facts which may affect the validity, scope, or enforceability of the Patent Rights or the Trade Marks of which either party becomes aware.

12.2 IAF agrees to provide reasonable assistance (at the expense of AAP) in defending any infringement of the Patent Rights or the Trade Marks in the Territory.

## 13. SUBLICENSING OF RIGHTS

13.1. IAF cannot sublicense its rights under this agreement.

## 14. MISCELLANEOUS PROVISIONS

14.1 This Agreement shall be construed, governed, interpreted and applied in accordance with the internal laws of Montana without resort to the conflict of laws.

14.2 Subject to clause 14.3 below, any claim, action, or suit between AAP and IAF that arises out of or relates to performance of this Agreement shall be brought and conducted solely and exclusively within the Circuit Court for Yellowstone County, Montana. Provided, however, that if any such claim, action or suit may be brought only in a federal forum, it shall be brought and conducted solely and exclusively within the United States District Court of Montana.

14.3 AAP may, in its sole discretion, elect to bring any claim of the nature described in clause 14.2 in the courts of ITALY, and IAF agrees that it will submit to such election. Following any such election, the Parties each agree that they will not commence any identical or similar action relating to the same or related breaches in any other jurisdiction (including those identified in clause 14.2).

14.4 Each party shall neither use the name or an adaptation thereof of the other party, in any advertising, marketing, publicity and promotional material or sales literature without the prior written consent obtained from the party whose name is to be used in each case.

14.5 Nothing in this Agreement will be deemed to create a relationship of employment or agency or to constitute the parties as partners or joint ventures. Neither party has the authority expressed or implied to bind the other party to any contract or other obligations without the express prior written consent of the other.

14.6 The parties agree and acknowledge that the terms and conditions of this Agreement are subject to change as deemed necessary by AAP in its sole discretion. AAP reserves the right to alter terms and conditions at any time, which may necessitate the termination of this Agreement and the signature of a new license agreement by AAP and IAF.

14.7 Neither party may waive or release any of its rights or interests in this Agreement except in writing. The failure of AAP to assert a right hereunder or to insist upon compliance with any term or condition of this Agreement shall not constitute a waiver of that right by AAP to excuse a similar subsequent failure to perform any such term or condition by the IAF.

14.8 If either party desires a modification to this Agreement, the parties shall, upon reasonable notice of the proposed modification by the party desiring the change, confer in good faith to determine the desirability of such modification. No modification will be effective until a written amendment is signed by the signatories to this Agreement or their designees.

14.9 Without prejudice to the right of either party to bring an action (including any application for urgent injunctive relief) under clauses 14.2 - 14.3, the parties agree to attempt to settle amicably any controversy or claim arising under this Agreement or a breach of this Agreement, by:



Trade Mark	Registered Number	Type	Country of Registration	Registered/ Pending	Date of Registration	Classes
KARBOLYN	011855781	Word	CTM	Registered	09-10-2013	5, 35