



18 December, 2018

Dear Customers,

### **Launch of KONG European Partner Programme**

From the earliest years of KONG's history until current time, the KONG Company has relentlessly defended our products, intellectual properties and brand.

KONG toys are the gold standard of dog toys because:

- Pet **safety** is always at the top of our list;
- We are committed to **quality**;
- We take pride in being an **original** - people and pets all over the world know KONG by name;
- We know dogs need variety - we keep the healthy play coming and we never stop **innovating**;
- and
- We are focused on the **end user experience** - ensuring that pet owners choose the right product for their pet's safety, wellbeing and enjoyment, that consumers enjoy an excellent and high quality sales experience, and that consumers feel pride, trust and confidence in the KONG brand.

Every KONG toy is designed, produced and sold by KONG with these core values in mind.

We are therefore excited to announce the launch in Q1 2019 of the KONG European Partner Programme, which will ensure that every distributor and retailer selling KONG products lives up to and safeguards the above values and principles.

***From next year, in order to sell KONG products, every distributor and reseller will need to be pre-authorised by KONG having demonstrated that it meets the applicable quality standards for the sale of the products via the applicable channel.***

**Wholesale distributors** wishing to sell KONG products will need to:

- Demonstrate their compliance with the Distributor Authorisation Criteria;
- Sign the Authorised Distributor Addendum; and
- Obtain KONG's express authorisation.

The Distributor Authorisation Criteria ensure that each Authorised Distributor has a high quality wholesale distribution operation and sufficiently qualified and trained personnel to ensure the effective distribution of KONG products and education of Authorised Resellers to a high standard. It is a condition of authorisation that Authorised Distributors commit to only selling KONG products to Authorised Partners (i.e. other Authorised Distributors or Authorised Resellers) in Europe.

**Retail resellers** wishing to sell KONG products from a **brick and mortar store** will need to:

- Demonstrate their compliance with the Reseller Authorisation Criteria for All Resellers and the KONG Bricks Criteria;
- Sign the Authorised Reseller Addendum; and

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- Obtain KONG's express pre-authorisation for their brick and mortar premises (i.e. written confirmation that it is an Authorised Physical Store).

Similarly, retail resellers wishing to sell KONG products **online** will need to:

- Demonstrate their compliance with the Reseller Authorisation Criteria for All Resellers and the KONG Clicks Criteria;
- Sign the Authorised Reseller Addendum; and
- Obtain KONG's express pre-authorisation for their website (i.e. written confirmation that it is an Authorised Website).

Please note that any reseller wishing to sell KONG products from a third party platform or marketplace will need to obtain KONG's express written consent for its platform / marketplace store, having demonstrated that it complies with all of the Reseller Authorisation Criteria for All Resellers and the KONG Clicks Criteria, together with the specific marketplace criteria specified therein. Sales from certain third party marketplaces, which will be specified in the KONG Clicks Criteria, will be expressly prohibited.

Additionally, please note that even if you have KONG's authorisation to sell from an Authorised Physical Store, you will need to obtain KONG's authorisation for your website / web store (i.e. demonstrate compliance with the KONG Clicks Criteria) if you also wish to sell KONG products online, and *vice versa*.

The Reseller Authorisation Criteria for All Resellers, KONG Bricks Criteria and KONG Clicks Criteria are designed to ensure that Authorised Resellers present KONG products in compliance with all of our branding and intellectual property guidelines, educate customers in an appropriate manner to ensure the safest and most suitable KONG product is purchased, and operate high standard retail operations which include, among others, quality controls to maintain the quality of KONG products until they reach end users.

It is a condition of authorisation that Authorised Resellers commit to only selling KONG products to End Users or other Authorised Partners in the KONG European Partner Programme.

***We are committed to working with Authorised Partners that deliver an excellent customer experience and enhance and protect the value of the KONG brand and intellectual property.***

### **What do you need to do?**

We invite you to contact us at [applyforauthorisation@kongcompany.com](mailto:applyforauthorisation@kongcompany.com) to obtain a copy of the applicable Authorisation Criteria and Addendum, so that you can review this to ensure you are compliant and to apply for KONG's authorisation to sell KONG products.

Please note that **without KONG's express authorisation, you will not be permitted to sell KONG products** and KONG will reserve the right to take such legal steps as are necessary to prevent unauthorised sales. **Please note that you are required to apply for express authorisation under the KONG European Partner Programme even if you have previously received authorisation from KONG to sell KONG products from brick and mortar premises or online.**

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Distributors and resellers who are unauthorised or who violate the terms of their authorisation will be placed on a “Do Not Sell” list and their products may not be eligible for certain benefits that accompany authorised products. KONG will also reserve the right to not do business with distributors and resellers who sell to entities on the “Do Not Sell” list.

Additionally, the KONG European Partner Programme will enable KONG to identify and take action against unauthorised sellers that are disrupting the authorised distribution channels by flooding the market with unauthorised, counterfeit, and poor-quality products. These unauthorised sellers confuse consumers by falsely suggesting that they are affiliated with KONG (when they are not); that the products being sold have the same benefits, characteristics and quality controls as KONG’s products sold by authorised resellers (when they do not), and that KONG approves of the products being sold (when it does not). Often these unauthorised sellers sell damaged, defective, or counterfeit goods, which erode consumers’ trust in the KONG brand and lead to poor online product reviews, which harm all authorised sellers of KONG products offline and online.

KONG’s authorised reseller programs are already in operation in the United States and make it very clear for both distributors and resellers as to whom and where they can sell to as authorised sellers. These policies are being rolled out into Europe, Australia and China in 2019 and we will be in contact with you in the next few weeks with formal next steps.

KONG is committed to protecting and ensuring the long term integrity of its products and brand for the benefit of end-user consumers and Authorised Partners. We truly appreciate the relationship we have with our trusted Authorised Partners and we optimistically look forward to a long future of mutual success.

Sincerely,

Kathy Decker Frueh,  
President