

PHILLIPS & KING INTERNATIONAL, Inc.

TERMS AND CONDITIONS OF SALE

EFFECTIVE MARCH 2020

1. Orders:

1.1. Phillips & King International, Inc. (P&K) will accept orders 24/7 by phone at 800-532-4427 and via our website: www.phillipsandking.com

1.2. Orders are also accepted by fax at 805-531-8896.

1.3. Account Managers are available Monday through Friday, 6:00 A.M. to 5:30 P.M. PST. During unattended hours or holidays, calls will be routed to your Account Manager's voicemail.

1.4. Prices are subject to change without notice.

1.5. If applicable, customers must specify their tax jurisdiction and provide appropriate licenses.

2. Minimum Order:

2.1. Minimum order is \$250.00 (excluding tobacco taxes if applicable), including back orders. Back orders are not shipped automatically.

3. Freight and Handling (F&H):

3.1. F&H Minimum is \$500.

3.2. Orders at (or more than) the applicable F&H Minimum of qualifying products (excluding tobacco taxes) are prepaid via ground shipping within the contiguous United States.

3.3. Orders of less than the applicable F&H Minimum will be subject to a shipping charge \$9.95 per order.

3.4. Next Day Air and 2nd Day Air upgrades are available at additional cost to the Customer.

3.5. Orders to be shipped outside of the contiguous United States are subject to additional fees as follows:
Shipments to Alaska, Hawaii, Guam, Puerto Rico and the US Virgin Islands will be sent by 2nd Day Air and billed at additional costs.

3.6. Each order will be assessed a Materials & Handling Surcharge of \$7.95.

3.7. Free Shipping offer excludes display humidors, pallet orders, and shipping outside the contiguous United States.

3.8. Adult Signature Required Fee: Each box in every order from P&K must be received by an adult, age 21 or over, presenting valid ID as required by law. To verify this process, an Adult signature verification and signature is required and recorded by the shipper for each box. An Adult Signature Required Fee of \$3.00 will be assessed for each box received. Any shipment returned due to lack of an Adult receiver will be assessed a restocking fee.

4. Payment Options:

4.1. Initial orders must be paid by secured terms in the form of Credit Card, Prepaid Wire, or Electronic Funds Transfer (EFT).

4.2. Initial EFT orders will be Pack-Bill-Hold (PBH). Subsequent EFT orders will be initiated when product is shipped. Please ask your Sales Rep about further details.

4.3. Customers who are delinquent on their accounts will revert to one of the terms listed above in 4.1.

4.4. COD company check terms may be established upon successful credit approval.

4.5. COD orders will be charged a \$12 processing fee per box.

4.6. EFT and Prepaid Wire orders receive a 2% discount off of total qualifying product cost (excluding tobacco taxes). EFT discount does not apply to JUUL products.

4.7. Non-Sufficient Funds (NSF) Fees of \$40.00 will be assessed on returned checks and EFT withdrawals.

4.8. In the event of NSF, 2% discounts previously offered on terms or for EFT orders will be revoked for that order and the next two (2) orders will be Pack-Bill-Hold. Orders placed in excess of a customer's current credit limit, will also be subject to Pack-Bill-Hold.

4.9. Any price discrepancies must be identified and reported to the Account Manager within 30 days of receipt.

5. Returns:

5.1. Product that arrives damaged, or has been is incorrectly shipped or taxed must be reported to the Account Manager within two (2) business days of receipt to arrange for pickup or replacement.

These Terms & Conditions Are Subject To Change Without Prior Notice.

Phillips & King International, Inc., reserves the right to refuse service to anyone for any reason not prohibited by law.

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5.2. Returnable product* will be accepted up to ninety (90) days after date of invoice, provided that it is in like-new condition and has been properly cared for. For example, cigar boxes/bundles must be humidified properly, and products must be in working order. A 20% restocking fee may be applied to any returned product.

5.2.1. Non-Returnable Products. Phillips and King does not take returns on Butane, Lighters, Hazmat items, Juul, RJR products, E-liquid, and vaporizer devices.*

5.3. Only full or complete boxes or cartons (P&K sell units) of product will receive credit.

5.4. If it is necessary to return product, contact your Account Manager at 800-532-4427 to arrange for a Return Authorization (RA) number.

5.5. Customers must obtain an RA number from P&K before returning product to ensure timely and accurate credit.

5.6. Securely package the product to be returned, write your RA number and customer number on the box and send to:

5.7. Returns received by P&K without an RA Number will be considered a Refused Order. See Section 7 below.

5.8. Products returned that do not appear on the RA will not receive credit.

5.9. RA's left open or unused for 30 days will be voided.

5.10. Return of Stamped or Taxed Merchandise:

5.10.1. If the Customer affixed tax stamps to the merchandise (cigarettes), P&K will only issue credit for the product cost.

5.10.2. A tax stamp affidavit will be issued for those cigarette tax stamps received by P&K that were applied by the Customer.

6. No Hazmat Returns:

6.1. Customers agrees not to return or send to P&K any lighters, lighter fluid/butane or any other Hazardous Materials to P&K regardless of the product origin.

6.2. Customers further agree not to use any boxes that bear hazmat labels, hazmat warnings or hazmat markings when returning products under a Return Authorization Number issued by P&K.

6.3. Customer acknowledges that the actual damages likely to result from the failure of Customer to abide by the terms and conditions stated in this No Hazmat Returns section may be difficult for P&K to ascertain or prove in the event said terms and conditions are breached.

6.4. Therefore, if Customer fails to abide by the terms and conditions of this No Hazmat Returns section as stated herein, Customer shall pay to P&K, as liquidated damages, a fee of five hundred dollars (\$500.00).

7. Refused Orders:

7.1. Orders refused by Customers and returned to P&K will be charged all freight costs associated with shipment in addition to a restocking fee of 20% of the total invoice value.

There may be items in P&K's catalog, flyer or on its website that are not legal in the Customer's city or state. It is the Customer's obligation to check local and state laws to establish the legality of receiving the products before ordering.

** The list of non-returnable products in section 5.2.1 is not expected to be all-inclusive. Due to changing manufacturer requirements, Phillips & King International cannot take returns on certain products including but not limited to: Butane, Lighters, Hazmat items, Juul, RJR products, E-liquid, and vaporizer devices. Please contact your Sales Team Member for an up-to-date list of these non-returnable products.*

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