Master Procurement & Non-Circumvention Agreement

QUALITY BRANDS, LLC — PROCUREMENT SERVICES AGREEMENT

This Agreement is entered into between **Quality Brands, LLC** d/b/a Quality Brands Direct ("Procurement Manager") and **[Client Company Name]** ("Client").

1. Scope of Service

Procurement Manager acts as an offsite fractional procurement desk, coordinating factory verification, product specifications, sampling, production oversight, and ongoing order management for physical products sourced on behalf of Client through **qualitybrandsdirect.com**.

2. Fee Structure

Client contracts directly with third-party manufacturers ("Factories") for the purchase of physical inventory and shipping. Client agrees to compensate Procurement Manager directly for procurement and management services as follows:

- **New Vendor Initial Order Fee (10%):** A fee equal to **10%** of the total Factory purchase order value applies *exclusively* to the first purchase order placed with a newly introduced or newly vetted Factory.
- **Ongoing & Line Extension Fee (5%):** A fee equal to **5%** of the total Factory purchase order value applies to:

1. All subsequent reorders of existing SKUs with an established Factory.
2. The initial order of any *new SKU or expanded product line* placed with an existing, previously introduced Factory.

3. Payment Terms & Upfront Requirements

- **100% Upfront Factory Capital Requirement:** Client acknowledges that all production runs operate on a strict prepaid basis. Client agrees to pay the Factory **100% of the total order cost upfront** upon issuing the purchase order / proforma invoice. Procurement Manager does not secure, manage, or offer net payment terms or credit financing.
- **100% Upfront Management Fee:** Procurement Manager fees are fully earned and due **in full at the time the order is placed**, payable concurrently with the initial Factory payment.
- **Direct Payments:** Client pays Factory directly for goods and freight. Procurement Manager does not collect factory funds, hold physical inventory, take title to goods, collect sales tax, or act as the importer of record.

4. Non-Circumvention & Post-Termination Tail

- **Exclusive Management:** Client acknowledges that Factories introduced, audited, or managed by Procurement Manager represent proprietary business relationships.
- **Direct Order Restriction:** Client agrees not to place direct orders, issue purchase orders, or negotiate directly with any introduced Factory without compensating Procurement Manager according to Section 2.
- **Termination & 36-Month Tail:** Either party may terminate active management upon 30 days' written notice. Upon termination, if Client continues to purchase products from any Factory introduced or managed by Procurement Manager, Client agrees to pay Procurement Manager the **5% fee** on all orders placed with said Factory for a period of

thirty-six (36) months following the date of termination. Following the expiration of the 36-month tail, Client is fully released from fee obligations for that Factory.

5. Independence & No Restrictive Covenants (NDAs / Non-Competes)

- **No Implied Restrictions:** Execution of this Agreement does not imply, obligate, or commit Procurement Manager to enter into any Non-Disclosure Agreement (NDA), Non-Compete Agreement, Exclusivity Agreement, or similar restrictive covenant with Client.
- **Freedom of Operation:** Procurement Manager retains full operational freedom to provide procurement, sourcing, and management services to other entities, clients, or businesses, including those operating in similar industries or product categories. Any separate NDA or restrictive agreement must be negotiated independently, in writing, and explicitly agreed to in a separate signed document by Procurement Manager.
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Signatures

Quality Brands, LLC
By: _____
Name: Cory Shelton
Title: Founder & Sourcing Director
Date: _____

[Client Company Name]
By: _____
Name: _____
Title: _____
Date: _____