

TERMS AND CONDITIONS OF THE BLUNATION® REWARDS PROGRAM

Last Updated: December 3, 2018

YOUR USE OF THE BLUNATION® REWARDS PROGRAM CONSTITUTES YOUR AGREEMENT TO THE FOLLOWING TERMS AND CONDITIONS. IF YOU DO NOT AGREE TO THESE TERMS, DO NOT OPEN AN ACCOUNT FOR THE PROGRAM.

ELIGIBILITY/YOUR BLUNATION® REWARDS ACCOUNT

This bluNation® Rewards Program (also referred to as “Rewards Program”) is intended only for use by adults located in the United States aged 18 and older, subject to age and/or other restrictions in your local area. (Even if you are of legal age under the laws of your area, such laws may still limit your ability to participate in the bluNation® Rewards Program.) You further acknowledge and agree that you must be of legal smoking age to purchase or consume any of our blu products or to participate in the bluNation® Rewards Program.

PLEASE NOTE: IF YOU ARE NOT A UNITED STATES RESIDENT (AND OTHERWISE ELIGIBLE FOR THE REWARDS PROGRAM), DO NOT SEEK TO REGISTER FOR THE REWARDS PROGRAM AS IT IS NOT INTENDED FOR YOU.

The Rewards Program is valid for an eligible individual’s personal, non-commercial use; enrollment and participation in the Rewards Program by groups, organizations and businesses is prohibited.

CREATION OF BLUNATION® REWARDS ACCOUNT

To open a bluNation® Rewards Account, an individual must first register at blu.com by completing the registration process by providing current, complete and accurate information, as more specifically required by the then current registration procedure. As part of the procedure for registering at blu.com, persons may be required to provide their name, date of birth, gender, zip code, password, legitimate electronic mail address and certain additional information (such as, for example, preferred contact method); in order to utilize certain aspects of blu.com, persons may also elect to provide access information related to their accounts at social networking sites (such as, for example, Twitter, Facebook, FourSquare and Instagram). Fontem US, Inc. (hereafter, “blu”) may refuse to accept any individual’s attempted registration on blu.com, in its sole discretion, for any reason or no reason, without liability or obligation of any kind.

After registering at blu.com, “opt-in” to the Rewards Program by checking the designated box, expressly indicating that you wish to join the Rewards Program and agreeing to these Terms and Conditions. Opening a bluNation® Rewards Account makes you an “Accountholder” under these Terms and Conditions. For the

avoidance of doubt, registration at blu.com will NOT automatically result in creation of a bluNation® Rewards Account (or participation in the Rewards Program).

YOU ARE ADVISED TO CAREFULLY REVIEW THESE BLU NATION REWARDS PROGRAM TERMS AND CONDITIONS BEFORE “OPTING-IN” TO THE BLU NATION REWARDS PROGRAM AND OPENING A BLU NATION REWARDS ACCOUNT.

When opening a bluNation® Rewards Account, a person may also be required to provide his/her mobile telephone number. NOTE: To redeem bluNation® Rewards for rewards that must be mailed to the member (such as, for example, bluNation Retail Coupon), a person must also provide a valid postal address in the United States (where issuance of the bluNation Retail Coupons is permitted by applicable law) for delivery of coupon(s); the postal address must correspond to the zip code provided previously by Accountholder during Account creation. By providing such postal address, a person represents and warrants that he/she is a legal resident of the jurisdiction in which the provided postal address is located. With regard to registration at blu.com and creation of a bluNation® Rewards Account, it is an individual’s sole responsibility to maintain and update their contact information on file from time to time, to ensure that it is always current, complete and accurate.

An individual is solely responsible for maintaining the confidentiality of his/her access credentials (including password) and other Account information, and will be solely liable for any and all activities under his/her account (that is, both his/her registration on blu.com and his/her bluNation® Rewards Account specifically). An individual agrees to notify blu immediately of any unauthorized use of his/her account (that is, both his/her registration on blu.com and his/her bluNation® Rewards Account specifically) or any other breach of security.

There is a limit of one (1) bluNation® Rewards Account (as well as one [1] registration on blu.com) per person. Violation of this limit constitutes fraud.

REWARDS PROGRAM

In the Rewards Program, Accountholders can accumulate and redeem loyalty rewards points (“Points”), on an individual basis and solely for their own account. The Rewards Program may be structured to offer certain benefits based on the Accountholder’s current balance of "redeemable" Points (that is, Points that have not previously been redeemed) or "lifetime" Points (that is, all prior Points accumulated by Accountholder, whether previously redeemed or not).

Accountholders primarily earn Points based on making qualifying purchases of blu products. In addition, from time to time, blu may establish (at its sole discretion) non-purchase loyalty criteria pursuant to which Accountholders may "earn" Points (such as, for example: by sharing User Content; by engaging in certain specified activities like visiting or watching videos; by engaging in certain specified activities related to social networks). To earn Points via such non-purchase loyalty criteria, an Accountholder must perform the specified activity in full compliance with the guidelines associated with such activity. Such activity guidelines are made a part of these Terms and Conditions and incorporated by reference herein. In the event of any inconsistency between the activity guidelines and these Terms and Conditions, these Terms and Conditions shall prevail, govern and control with the sole exception of the determination of whether (or not) an Accountholder has

earned Points by performing the specified activity and other requirements/conditions related to such specific activity (with respect to which the activity guidelines will prevail, govern and control).

At present, by making a qualifying purchase of blu® products at blu.com (made after Account creation), a person will earn 5 points per \$1 spent. The qualifying purchase of blu products at a physical retail location will result in a different point valuation, based on the coupon code included inside the applicable qualifying blu product. Qualifying blu products will be designated in conjunction with their availability for consumer purchase.

Notwithstanding the foregoing, by notifying Accountholders as set forth below, blu may modify the number of Points earned by making a qualifying blu® product purchase. Points for the performance of specified activity will vary based on the activity in question, with the available quantity of Points being indicated in the applicable activity guidelines.

For Points earned via qualifying blu® product purchase, allow approximately 1 day¹ for Points to be reflected in your Account. If applicable, for Points earned via performance of specified activity, allow approximately 1 day for Points to be reflected in your Account.

blu may award Points for Customer's qualifying blu® product purchases and/or the performance of specified activities in whole or in part (or not at all), in its sole discretion and without liability of any kind.

Earning of Points based on an Accountholder's activities on social networking sites (for example, Facebook, Twitter, Instagram) may be restricted by the terms, conditions or functionality of such sites. Please see such sites for their terms and conditions respectively. **The Rewards Program is in no way sponsored, authorized or endorsed by such social media sites, and blu is solely responsible for offering and implementation of the Rewards Program.**

For Points available in conjunction with the qualifying purchase of blu products:

- Points will be awarded based on the product's pre-tax sale price. The purchase of qualifying blu products in conjunction with the Rewards Program cannot be combined with any other blu discount, coupon, promotion or offer (including bluNation Retail Coupons received via Point redemption, as discussed below).
- If blu product(s) purchased is later returned or the purchase is voided due to insufficient funds, unauthorized transaction or any other reason, the corresponding Points will be voided as well.
- To result in earning Points, the blu product purchase cannot have been made in conjunction with the exchange or return of a previously purchased blu product.

REDEMPTION

At present, Points may only be redeemed for blu® products as set forth in the blu Rewards Catalog as well as for bluNation Retail Coupons (where lawful). Points may be redeemed by Accountholder for reward items in the blu Rewards Catalog and/or bluNation Retail Coupons (where lawful) only if the Accountholder's

bluNation® Rewards Account is still active and Accountholder is still registered at blu.com. Once redeemed for reward items or bluNation Retail Coupons, redeemable Points have been used and cannot be replaced or restored.

Point Redemption for Products in the blu Rewards Catalog:

The availability of reward items may vary notwithstanding an item's appearance in the blu Rewards Catalog (or in Rewards Program materials.) Blu reserves the right, in its sole discretion, to contract, expand or otherwise modify the list of reward items for which Points can be redeemed in the blu Rewards Catalog, without prior notice or liability of any kind. Should blu include items other than blu® products in the blu Rewards Catalog, blu makes no warranty, representation or guarantee of any kind with regard to such other (non-blu product) items; this includes but is not limited to the warranty of merchantability or fitness for the intended purpose. With regard to blu® products which are reward items, the only warranties on such blu products are those expressly made by blu and such warranties are limited to their terms. The blu Rewards Catalog includes conditions for Point redemption; by way of illustration only, the number of Points required for redemption for blu® products and shipping methods.

All conditions on Point redemption/blu Rewards Catalog are made a part of these Terms and Conditions and incorporated by reference herein. In the event of any inconsistency between the conditions on Point redemption/blu Rewards Catalog and these Terms and Conditions, these Terms and Conditions shall prevail, govern and control with the sole exception of the redemption of Points for rewards (with respect to which the conditions on Point redemption/blu Rewards Catalog will prevail, govern and control).

Point Redemption for bluNation Retail Coupons:

At present, Points are redeemable for bluNation Retail Coupons in increments of 500 Points. Notwithstanding the foregoing, by notifying Accountholders as set forth below, blu may modify the number of Points required for redemption for a bluNation Retail Coupon. Points cannot be redeemed for bluNation Retail Coupons by Accountholders who are residents of the following jurisdictions: Massachusetts; Bellevue, NE; Bennington, NE; La Vista, NE; and Providence, RI. IF YOU ARE A RESIDENT OF ONE OF THESE JURISDICTIONS, YOU WILL NOT BE ALLOWED TO REDEEM POINTS FOR BLUNATION RETAIL COUPONS; AND, AS SUCH, THE OFFER OF BLUNATION RETAIL COUPONS IS NOT INTENDED AS A REWARD FOR YOU.

BluNation Retail Coupons will be shipped via first class United States Postal Service mail to the Accountholder's postal address on file as part of his/her Account information. Accountholder will not be responsible for shipping and handling fees. If an Accountholder has not provided a postal address as part of his/her Account information prior to the time of redemption of Points for bluNation Retail Coupon(s), the Accountholder must do so before he/she will be allowed to complete the redemption of Points for bluNation Retail Coupon(s). If redemption request is validated by blu, bluNation Retail Coupon(s) will be shipped within 1- 2 weeks of blu's validation of redemption request. If redemption request results in the issuance of multiple bluNation Retail Coupons, such coupons may be shipped together or separately in blu's sole discretion. Blu disclaims any and all liability for late, lost, damaged, delayed, or misdirected bluNation Retail Coupons/mail or for bluNation Retail Coupons returned as undeliverable mail for any reason: such bluNation

Retail Coupons are void and will not be replaced. If bluNation Retail Coupon is allegedly defective in some regard, the Accountholder must notify blu accordingly within ____ days of receipt; and, the coupon may be replaced in the sole discretion of blu (but, if blu determines that it is not appropriate to replace the coupon, blu will have no liability or obligation to such Accountholder in conjunction therewith).

bluNation Retail Coupons are redeemable at participating retail establishments where blu products are sold in Accountholder's jurisdiction, in accordance with the terms and conditions of use as indicated thereon. Such bluNation Retail Coupon terms and conditions are made a part of these Terms and Conditions and incorporated by reference herein. In the event of any inconsistency between the bluNation Retail Coupon terms and conditions and these Terms and Conditions, these Terms and Conditions shall prevail, govern and control with the sole exception of use of the bluNation Retail Coupon (with respect to which the terms and conditions of the bluNation Retail Coupon will prevail, govern and control.)

To redeem Points for a given reward item in the blu Rewards Catalog or a bluNation Retail Coupon, Accountholder must have the corresponding number of Redeemable Points in his/her Account. Points will not be rounded up for purposes of redemption nor can an Accountholder purchase additional Points nor transfer Points so as to attain a desired Point redemption threshold.

Before processing any attempted redemption of redeemable Points, blu reserves the right to require Accountholder to provide proof that he/she has fully complied with these Terms and Conditions. Should blu determine that such additional materials/information are inadequate or defective in any way or should Accountholder fail to timely provide such additional materials/information upon blu's request, then blu, in its sole discretion, may void the attempted redemption of Points and/or forfeit all Points accumulated by such Accountholder and blu shall have no liability or obligation to such Accountholder relative to such action.

Any and all applicable taxes on Points/reward items/usage of bluNation retail coupon for cents off the purchase of blu products or other expenses incurred in conjunction with Program participation are the sole responsibility of Accountholder and Accountholder agrees to fully cooperate with blu as to its compliance with all applicable governmental reporting requirements. Accountholder may be charged fees for shipping and handling of certain reward items; as applicable, such fees will be disclosed at the time of Point redemption.

ACTIVE ACCOUNTS / EXPIRATION OF POINTS

To keep an account active, Members must earn Points within the past one hundred and eighty (180) days. Points earned through the Rewards Program expire one hundred eighty (180) days from the last day of engaging in Points-earning activity on the Account. If no Points are earned for a consecutive one hundred and eighty (180) day period, all accrued, but unused Redeemable Points shall expire.

PLEASE NOTE: FOR PURPOSES OF MAINTAINING A BLUNATION REWARDS ACCOUNT AS ACTIVE, NOT ALL ACTIVITIES THAT RESULT IN THE RECEIPT OF POINTS WILL QUALIFY AS POINTS-EARNING ACTIVITIES WHICH WILL KEEP ONE'S BLUNATION REWARDS ACCOUNT AS ACTIVE. SPECIFICALLY, ALTHOUGH POINTS MAY BE EARNED BY HAVING ONE'S SOCIAL MEDIA ACCOUNTS ON FACEBOOK, TWITTER OR INSTAGRAM ON RECORD AS PART OF HIS/HER BLUNATION REWARDS ACCOUNT AND POINTS MAY BE EARNED BY READING AN

EMAIL COMMUNICATION SENT BY BLU, SUCH ACTIVITIES ALONE WILL NOT MAINTAIN YOUR BLUNATION REWARDS ACCOUNT AS ACTIVE (AS SUCH ACTIVITIES DO NOT QUALIFY AS POINTS-EARNING ACTIVITIES).

Blu may, at its sole discretion, send you notifications to remind you that your Redeemable Points will expire upon the one hundred eighth day of inactivity. However, these communications are provided purely as a courtesy and blu is not obligated to send such communications; blu disclaims any liability for errors in such communications (for example, inaccuracy as to Point total). It is your sole responsibility to monitor your Account, Points earned and whether (or not) such Points qualify as Points-Earning Activities. Blu further reserves the right to update an Accountholder's Point total at any time prior to redemption of Points without notice or liability of any kind.

If an Accountholder continues to keep his or her account active, as stated in these "Terms", then user's redeemable points DO NOT expire.

IMPORTANT:

We may at our sole discretion change, add, or delete portions of these Terms and Conditions at any time on a going-forward basis. It is your sole responsibility to check these Terms and Conditions for changes prior to participating in the Rewards Program, and in any event your continued participation in the Rewards Program following the posting of changes to these Terms and Conditions constitutes your acceptance of any changes. We will notify you of any such material changes by posting notice of the changes on the bluNation® Rewards page on blu.com, and/or by email.

Accountholder acknowledges and agrees that:

- (a) Points have no "real world" or cash value.
- (b) He/she has no property right or ownership interest in Points, with Points being at all times the sole property of blu.
- (c) Points have no purpose or use except in exchange for benefits (rewards) offered by blu via the Rewards Program as per these Terms and Conditions.
- (d) Rewards offered for the redemption of Points may be time-limited or available only in limited quantities, as well as being subject to other conditions/criteria indicated by blu at the time of Point redemption, including in the blu Rewards Catalog.
- (e) Points may only be used in the Rewards Program in accordance with these Terms and Conditions and cannot be redeemed or transferred by Accountholder to any other program (whether or not such other program is offered by blu).
- (f) Accountholder's Points cannot be redeemed by, sold, or otherwise transferred to, any other Accountholder.

(g) Should an Accountholder's bluNation® Rewards Account and/or registration at blu.com be terminated by blu for any reason (including because of fraudulent activity, as discussed below), all Points previously accrued by such Accountholder are forfeited and blu shall have no liability or obligation to such individual.

TERMINATION

The Rewards Program is on-going; however, upon provision of four (4) weeks' notice, blu may terminate the Program. In the event of termination, Accountholders will have an additional four (4) weeks from the Rewards Program termination date to redeem their Points for reward items and/or bluNation Retail Coupons (where lawful).

GOVERNING LAW / JURISDICTION

By registering for blu.com and creating a bluNation® Rewards Account, you understand and agree, to the fullest extent permitted by law, that (a) the Rewards Program and these Terms and Conditions are subject to the laws of the State of North Carolina without regard to choice of law/conflict of law principles of North Carolina (or of any other jurisdiction which would result in the application of such jurisdiction's law); (b) any dispute, action or claim regarding the Rewards Program must be brought exclusively in the U.S. District Court for the Western District of North Carolina or in North Carolina state court situate in Charlotte, North Carolina as well as agreeing to the jurisdiction of such courts; (c) to expressly waive any claim or inconvenient forum, change of venue or the like; (d) that any such dispute/action/claim will be brought individually and not as part of a class action; and (e) your recovery in any such dispute/action/claim shall be limited to your actual costs incurred in participating in the Rewards Program, with all other damages or other forms of recovery being expressly waived.

Should this or any other section of these Terms and Conditions be deemed by a court of competent jurisdiction to be invalid or unenforceable, such provision shall be stricken and replaced with a substitute provision which is valid and enforceable and most closely approximates the original intent of blu. The invalidity/unenforceability of one provision shall not affect any other provision of these Terms and Conditions.

PRIVACY STATEMENT

We are committed to protecting your privacy. Please review the blu [Privacy Policy](#) for an explanation of how blu collects and uses your personal information in conjunction with the Rewards Program and otherwise.

FORCE MAJEURE

If, for any reason, the Rewards Program (or any part thereof) is not capable of running as originally planned by reason of computer virus, bug, system malfunction, tampering, unauthorized intervention, fraud, technical failures, fire, flood, storm or other natural cataclysm, riot, strike, civil commotion, governmental regulation or any other causes which, in blu's sole opinion, corrupt or affect the administration, security, fairness, integrity or proper conduct of the Rewards Program (or any part thereof), blu reserves the right at its sole discretion (subject to applicable law) to cancel, terminate, modify or suspend the Rewards Program or any element of the Rewards Program, and conduct the Rewards Program in a manner which is fair, equitable and in accordance

with these Terms and Conditions, as determined by blu in its sole discretion. Notice of such action by blu will be posted at www.blu.com.

LIMITATION OF LIABILITY

Blu is not responsible for (i) any incomplete, incorrect or inaccurate registration or account information, whether caused by tampering, hacking, equipment malfunction/failure or other cause; (ii) any error, omission, interruption, deletion, defect, delay in operation or transmissions involving website registration or account creation; communications line failure, theft or destruction or unauthorized access to, or alteration of, registration/account creation materials or Points; (iii) any problems or technical malfunctions, disruptions or failures of any kind, including the functionality of telephone network or lines, computer on-line systems, servers or providers, software or programming, or for damage to Accountholder's computer or the computer of any other person (or the information stored on any such computer) due to participation or attempted participation in the Rewards Program; (iv) errors of any kind in Rewards Program materials and/or blu.com regarding the Rewards Program; or (v) undeliverable, late, lost or misdirected shipments of reward items or bluNation Retail Coupons (or ability to redeem Points for bluNation Retail Coupons) due to an incomplete, inaccurate or out-of-date shipment address.

IN NO EVENT SHALL BLU BE LIABLE FOR ANY DIRECT, INDIRECT, PUNITIVE, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE USE OF THE REWARDS PROGRAM OR ANY INFORMATION PROVIDED IN CONJUNCTION WITH THE REWARDS PROGRAM. BECAUSE SOME STATES OR JURISDICTIONS DO NOT ALLOW THE EXCLUSION OR LIMITATION OF LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES, THE ABOVE LIMITATION MAY NOT APPLY TO YOU.

FRAUDULENT ACTIVITIES

blu reserves the right, without notice of any kind, to suspend, deactivate, disable and/or remove accounts if blu determines in its sole discretion that a given individual has engaged in suspicious or fraudulent account activity. Suspicious/fraudulent activity includes but is not limited to attempting to earn Points by any means (including without limitation, by using any script, bot or other automated means) that only simulate compliance with the requirements of these Terms and Conditions or the creation of multiple accounts by a single person. Deactivation/disabling/removal of account shall NOT represent the sole remedy available to blu in the event suspicious or fraudulent conduct by an individual; and, blu expressly reserves the right to pursue all available legal recourse in such event.

RETURN POLICY

If Points are redeemed for a blu® product, the blu product is subject to the Return Policy as set forth in the Terms and Conditions of blu.com.

HOW TO CONTACT US

If you have any questions or comments about the Terms and Conditions of the Rewards Program, please [click here](#) or write to us at:

blu

Attn: Customer Service Fontem
US, Inc.
1-888-207-4588
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