REDI-THOTICS has determined that its interests are best served through the adoption of a minimum advertised price ("MAP") policy. This MAP policy is designed to (1) protect reseller margins so that desirable pre-sales and post-sales services and infrastructure can be provided by our retail partners (2) support the REDI-THOTIC brand as a premium offering; and (3) avoid destructive intra-brand channel conflict.

# This policy has been unilaterally adopted by REDI-THOTICS and will be uniformly enforced.

# **Policy Coverage**

This MAP policy covers all REDI-THOTICS resellers located in the United States. Although resellers remain free to establish their own resale prices, REDI-THOTICS will, without assuming any liability, unilaterally impose sanctions as described in this policy against resellers who advertise applicable REDI-THOTICS products at prices below those specified herein. REDI-THOTICS will not discuss any conditions of acceptance related to this MAP policy, as it is non-negotiable, and will not be altered for any reseller. REDI-THOTICS neither solicits, nor will it accept, any assurance of compliance with this MAP policy. Nothing in this MAP policy or in any other contract or agreement with REDI-THOTICS shall constitute an agreement between REDI-THOTICS and reseller that the reseller will comply with this MAP policy.

MAP applies only to minimum advertised prices and does not apply to the price at which the products are actually sold, or to advertised prices higher than the unilateral minimum resale prices established by REDI-THOTICS from time to time.

#### **Minimum Advertised Price**

The current listing of products and applicable MAP prices are published on REDI-THOTICS's PRICE LISTS. The products and MAP may be changed from time to time at REDI-THOTICS's sole discretion. REDI-THOTICS resellers are responsible for remaining current with MAP policy, products and pricing.

REDI-THOTICS products not specifically identified in this policy are not subject to the MAP policy. Each advertisement below the MAP will be a violation of the policy. The MAP policy applies to all advertisements of specific REDI-THOTICS products in and all media including, without limitation, flyers, posters, coupons, mailers, inserts,

newspapers, magazines, catalogs, mail order catalogs, Internet or similar electronic media, television, radio and public signage.

## **Policy Violations**

In the event a reseller chooses not to follow the REDI-THOTICS MAP policy, sanctions will be unilaterally imposed by REDI-THOTICS. The level of sanctions imposed will increase with each violation of the policy. On the third violation of the MAP policy, REDI-THOTICS will not accept, or ship, any orders to the reseller for a period of six (6) months. Te reseller will also lose any/all discount pricing levels they may have qualified for prior to violation. The duration of ineligibility is indefinite.

Violations of MAP policy shall be determined by REDI-THOTICS in its sole discretion. REDI-THOTICS will not accept any communication from a reseller who has violated this MAP policy regarding the violation or the willingness of the reseller to bring its prices into compliance with the MAP policy.

In addition to the above, failure to adhere to the MAP policy will be a factor taken into consideration in the determination of the acceptance of reseller's annual application for participation in any REDI-THOTICS programs.

## **Policy Modifications**

REDI-THOTIC reserves the right at any time to modify, suspend, or discontinue the MAP policy in whole or in part or designate promotional periods during which the terms of the policy change or designate periods of time during which the policy is not applicable. Policy modifications shall be made available on the REDI-THOTICS website at http://www.redi-thotics.com.

#### **Unilateral Action**

REDI-THOTICS is not seeking agreement from any reseller to adhere to this MAP policy. It is entirely within the discretion of the reseller whether to comply or not comply.

### **Contact Information**

REDI-THOTICS SALES PERSONNEL HAVE NO AUTHORITY TO MODIFY OR GRANT EXCEPTIONS TO THIS POLICY OR HAVE ANY COMMUNICATIONS WITH ANY RESELLER REGARDING VIOLATIONS OF THIS MAP POLICY. All

questions or comments regarding this MAP policy are to be directed to the policy administrator at cnelson@redi-thotics.com. The policy administrator shall be solely responsible for determining whether a violation of the policy has occurred, communicating decisions to resellers regarding the policy and receiving any communication regarding sanctions imposed under this policy.