

AtmosFX US Minimum Advertised Price Policy Effective 7/1/16

1. Introduction

AtmosFX, Inc. is transforming the way consumers decorate for Halloween, Christmas, or any festive occasion. Our products offer nearly unlimited options for decorating homes, offices, or haunted attractions.

Our customers include some of the world's most passionate holiday decorators. The quality and volume of AtmosFX content, coupled with our customer's enthusiasm for our brand, virally drives awareness and demand for our products.

We recognize that our success is tied to the success of our network of select authorized dealers. We also know that many of our dealers invest significant time and resources to deliver an extraordinary customer experience. We want to protect their ability to do so, while at the same time discouraging price-based advertising that would be detrimental to our dealers' service and support efforts. As a result, AtmosFX has unilaterally established this Minimum Advertised Price ("MAP") Policy.

2. Policy Statement

AtmosFX, in its sole discretion, reserves the right to discontinue doing business with any reseller that advertises any product(s) covered by this MAP Policy at a price lower than the MAP.

3. General Guidelines

- a. The products covered by this policy are listed in Section 7, ("MAP Products"). AtmosFX may in its sole discretion modify this list from time to time.
- b. AtmosFX recognizes that dealers are free to make their own decisions to advertise and sell any AtmosFX product at any price they choose, without consulting or advising AtmosFX. Similarly, AtmosFX will exercise its right to make its own decisions regarding the AtmosFX Authorized Reseller Program ("AARP"), supplemental marketing materials, point-of-purchase displays, product allocation, new product availability, or future promotional, joint marketing, or other programs.
- c. The MAP Policy applies to advertised prices, not the price at which MAP Products are actually sold or offered for sale to an individual in-store, over the telephone or online.

4. Advertising Guidelines

- a. The MAP Policy applies to all advertisements of MAP Products in any and all media, including but not limited to flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, television, radio, and public signage, as well as Internet sites, social media sites, email, apps, or any other electronic media.
- b. The MAP Policy does not apply to solely on premise or in-store advertising that is not distributed to customers.
- c. Website features such as "click for price", automated "bounce-back" pricing e-mails, pre-formatted e-mail responses, forms, and automatic price display for any items prior to being placed in a customer's shopping cart, and other similar features are considered to be communications initiated by the dealer (rather than by the customer) and thereby constitute "advertising" under this MAP Policy.
- d. It shall not be a violation of this MAP Policy to advertise that a customer may "call for price" or "email for price", or to use similar language, specifically with respect to AtmosFX Products, so long as no price is listed.
- e. This MAP Policy also applies to any activity which AtmosFX determines, in its sole discretion, is designed or intended to circumvent the intent of this MAP Policy, such as solicitations for

- 'group purchases' and the like.
- f. It shall not be a violation of this MAP Policy to advertise in general that the reseller has "the lowest prices" or will match or beat its competitors' prices, or to use similar phrases; so long as the reseller does not include any advertised price below MAP and otherwise complies with this MAP Policy.
 - g. From time to time, AtmosFX may permit resellers to advertise MAP Products at prices lower than the MAP retail price. In such events, AtmosFX reserves the right to modify or suspend the MAP retail price with respect to the affected products for a specified period of time by providing advance notice to all resellers of such changes.
 - i. AtmosFEARfx (Halloween) products are not subject to the MAP Policy from November 1 through May 31 annually.
 - ii. AtmosCHEERfx (Christmas/Holiday) products are not subject to MAP Policy from January 1 through June 30 annually.

5. Bundling Guidelines

- a. "Bundling" or advertising AtmosFX products for sale together with other products will violate this MAP Policy when:
 - i. The effective or stated price of the bundle represents a discount of greater than 15% of the MAP; or
 - ii. the product(s) bundled with MAP Products violate AtmosFX's Intellectual Property rights; or
 - iii. the product(s) bundled with MAP Products violate the AtmosFX Trademark and Brand Policy [link to policy]; or
 - iv. the product(s) bundled with MAP Products include words, packaging, graphics, or other indicia which may create customer confusion as to the source of the product(s).
- b. Gift cards, coupons, points, or other incentives which are contingent on the purchase of a MAP Product will violate this MAP Policy when:
 - i. the effective or stated price of the bundle represents an immediate discount of greater than 15% of the MAP; or
 - ii. the effective or stated price of the bundle represents a discount of greater than 15% of the MAP after taking into consideration any contingent future purchase.
- c. Rebate programs from AtmosFX, whether on MAP Products or AtmosFX's partners' products are exempt from this policy.

6. Policy Enforcement

- a. If a dealer with multiple store locations violates this MAP Policy at any one store location, or on any associated website, then AtmosFX will consider this to be a violation by the dealer.
- b. AtmosFX reserves the right to cancel any pending orders, restrict future orders, or suspend dealers' account if AtmosFX reasonably believes:
 - i. a dealer has violated the provisions of this policy; or
 - ii. a dealer intends to violate this policy.
- c. AtmosFX's MAP Policy Administrator is solely responsible for determining whether a violation of the MAP Policy as occurred, as well as determining appropriate sanctions.
- d. Waivers to this MAP Policy may be granted in AtmosFX's sole discretion by the MAP Policy Administrator in writing. AtmosFX Sales, Marketing, or other personnel are not authorized to modify or grant exceptions to the MAP Policy. In the event that the MAP Policy Administrator authorizes a waiver to the MAP Policy, dealers must strictly adhere to the terms of the waiver letter. Deviation from the terms of a waiver letter is a violation of the MAP Policy.
- e. AtmosFX monitors the advertised prices of dealers, either directly or via the use of 3rd party agencies or tools. Dealers are expected to provide reasonable cooperation in any AtmosFX investigations regarding possible MAP Policy violations. Hindering, obstructing, delaying, or otherwise failing to cooperate with a AtmosFX MAP Policy investigation is a violation of this MAP Policy.
- f. The MAP Policy will be enforced by AtmosFX in its sole discretion and without notice. Dealers,

distributors, resellers, have no right to enforce the MAP Policy. Violations of this policy may result in any of the aforementioned sanctions up to and including termination of our business relationship, as well as any available remedies at law. All questions related to this MAP Policy should be directed to: sales@AtmosFX.com

7. List of MAP Products

AtmosFX Product ID	Product Name	SKU	MAP Price
ACX004	Night Before Christmas DVD	748252942630	\$39.99
ACX005	Santa's Workshop DVD	748252942135	\$39.99
AFX0008	Jack-O'-Lantern-Jamboree DVD	696859190247	\$39.99
AFX0009	Ghostly Apparitions DVD	696859190254	\$39.99
AFX0010	Bone Chillers DVD	748252941732	\$39.99
AFX0012	Witching Hour DVD	748252941930	\$39.99
AFX0013	Phantasms DVD	748252942036	\$39.99
AFX0014	Macabre Manor DVD	748252942739	\$39.99
AFX0008SD	Jack-'O-Lantern Jamboree SD	19962634048	\$54.99
AFX0009SD	Ghostly Apparitions SD	748252942838	\$54.99
AFX0010SD	Bone Chillers SD	19962634415	\$54.99
AFX0012SD	Phantasms SD	19962634246	\$54.99
AFX0013SD	Witching Hour SD	19962634345	\$54.99
AFX0014SD	Macabre Manor SD	19962634543	\$54.99
AFX004SD	Night Before Christmas SD	19962634444	\$54.99
AFX005SD	Santa's Workshop SD	19962634642	\$54.99
AFXG006	Window Projection Material	748252942333	\$24.99
AFXG007	Hollusion Projection Material	748252942234	\$49.99
AFXG009	3DFX Form	19962634840	\$49.99