



Higher Ground is implementing a Minimum Advertised Pricing (MAP) Policy (the “Policy”) for selected Higher Ground (“MAP Products”) which we believe is required for our resellers to remain competitive in the marketplace and generate sufficient margins to support our brand. Higher Ground believes that this Policy will maximize new product introduction success and overall competitiveness throughout the various sales channels.

The list of MAP Products is attached. Please see below for the terms of the Higher Ground MAP Policy for the United States:

- All resellers who wish to sell MAP Products will be required to comply with the MAP Policy.
- Compliance with Higher Ground’ MAP Policy means that MAP Products may not be advertised at a price below the MAP established by Higher Ground.
- The MAP Policy applies to all advertisements of MAP Products in any and all media, including, without limitation, flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalog, mail order, internet/e-commerce or similar electronic media including websites, email newsletters, email solicitations, television, radio and public signage. It does not apply to in-store (brick and mortar) advertising.
- Pricing listed on an internet site is considered an “advertised price” and must adhere to this MAP Policy. Once the pricing is associated with an intent to purchase (added to the shopping cart or order), the price becomes the selling price and is not bound by the MAP Policy.
- Website features such as automated “bounce – back” pricing e-mails, pre-formatted e-mail responses, forms, automatic price display for any items prior to being placed in a customer’s shopping cart, and other similar features constitute “advertising” under this MAP Policy. Any prices shown in such features must comply with the MAP Policy.
- Certain common internet marketing practices are NOT acceptable under this Policy. For example, statements such as “Discounted prices”, “XX% off” or “\$XX off,” “On Sale” or MAP prices with a strikethrough are not permitted.
- The following practices may be permitted, however. For example:
  - 1) Statements such as “add to basket to see price”, “we will match any price”, “call for price” or phrases of similar import are acceptable as long as the price advertised or listed for the products is not below the MAP Price.
  - 2) Discounts applied at checkout to the entire order based on a customer’s purchasing history with the Reseller, such as discounts for “frequent shoppers”, do not violate our MAP Policy.

- 3) It is permissible to include in any advertising an additional discount, coupon, gift card, or incentive (whether in the form of a product, special event, promotion, term of doing business or otherwise) that translates into an immediate price reduction unless the cumulative effect would be to reduce the advertised price of any MAP Product below the MAP price. For example, offering a free or discounted product with the purchase of another product at regular price (so-called “Buy One Get One or “BOGO” type sales) are permitted so long as (a) the free or discounted product is not a MAP Product and (b) the total advertised price for all of the products included in the promotion is not lower than the combined MAP price of those products.
- 4) The purpose of the MAP Policy is to protect the valuable nature and good will that have been built in the Higher Ground trademarks from practices that may harm, diminish, dilute or cause confusion. Higher Ground adopted its Internet Reseller Policy, including the MAP Policy, to protect Higher Ground’s premium brand positioning in the marketplace to ensure that all our resellers remain competitive in the marketplace and generate sufficient margins to support our brand, to maximize new product introduction success and to foster overall competitiveness throughout the various sales channels. If you have questions about a particular practice not addressed above, you should first ask yourself if the practice is consistent with this purpose. If it is not, or if you are not sure, then the practice is probably not permitted. However, you are always welcome to ask for review of any proposed advertisement as noted below.

- If a MAP Product is advertised below the MAP, Higher Ground will, adhere to a “3-strikes” policy:

1) **1<sup>st</sup> violation:** Upon learning of the violation Higher Ground will notify the reseller in violation of the Policy who shall be required to correct the below MAP advertised price(s) within 24 hours of written notification. If the violation is not corrected to Higher Ground’s satisfaction within 24 hours, Higher Ground may, in its sole discretion, impose penalties including suspending shipment to the reseller of the applicable SKUs until the violation is corrected.

2) **2<sup>nd</sup> violation:** Upon learning of a 2<sup>nd</sup> violation by the reseller involving the same product, Higher Ground may, in its sole discretion, impose penalties including suspending shipments and refusing to accept further orders for the applicable SKUs. Thirty (30) days after the violation has been corrected to Higher Ground’s satisfaction, shipments and order acceptance can recommence.

3) **3<sup>rd</sup> violation:** Upon learning of a 3<sup>rd</sup> violation by the reseller involving the same product, Higher Ground may, in its sole discretion, impose penalties including suspending shipments and refusing to accept further orders for the applicable SKUs. One-hundred and eighty (180) days after the violation has been corrected to Higher Ground’s satisfaction, shipments and order acceptance can recommence.

- MAP Policy compliance will be monitored by Higher Ground and the Policy enforced strictly and uniformly.
- The MAP Policy will operate independent of any other program.
- The MAP Policy applies only to advertised pricing. It does not apply to actual sale price.

Higher Ground resellers remain solely responsible for setting the price at which they sell all products.

- The Higher Ground MAP Policy and current list of MAP products can be found at: <http://www.hgreseller.com/mappolicy>
- Higher Ground will inform resellers if and when a MAP expires for any MAP Product. Expiration will remove all MAP requirements for the specified product(s).
- Higher Ground reserves the right to modify the MAP Policy, list of MAP Products and/or MAP prices at any time and for any reason and will inform our resellers in writing of any such changes at least 72 hours before the change is effective.

All questions about the policy should be in writing and directed to John Geiser, Sales Manager at: [john@hggear.com](mailto:john@hggear.com)

No Higher Ground representative or employee has authority to modify or alter this Policy. If a reseller learns of any modification or alteration of the Policy or an attempt to do so, the reseller should immediately notify John Geiser at the address provided above.