



MINIMUM ADVERTISED PRICE (MAP) POLICY

POLICY PURPOSE

Pipsticks, Inc. (“Pipsticks”) has determined that its interests, and the interest of its customers, are best served through the adoption of a Minimum Advertised Price {“MAP”} policy. Pipsticks designs, manufactures, and markets products under the Pipsticks premium brand, which identifies those products to the consuming public as having characteristics of excellence and superior quality. The MAP policy shall apply to retailers, including brick and mortar and Internet retailers {collectively, “Resellers”}, located in the United States who resell Pipsticks’ products to end users. Pipsticks is adopting this policy to help preserve the standard for providing end users with high quality products and superior after-sales support and to further enhance the Pipsticks brand image and its competitiveness in the marketplace.

This MAP policy is designed to:

(1) protect Reseller margins so that desirable pre-sales and post-sales services and infrastructure can be provided; (2) support the Pipsticks brand as a premium offering; and (3) avoid destructive intra-brand channel conflict. Pipsticks greatly values the efforts of all Resellers to distribute Pipsticks products and support our customers. This MAP policy has been unilaterally adopted by Pipsticks for the benefit of all Resellers and will be uniformly enforced.

POLICY COVERAGE

This MAP policy covers all Pipsticks Resellers located in the United States. This MAP Policy applies to the advertisement of all Pipsticks products in 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. This MAP policy also applies to all Pipsticks Products sold via any Reseller’s website, including but not limited to, any original company website and/or any and all affiliate websites where retailers advertise Pipsticks products electronically. This MAP policy does not apply to any in-store advertisements of Pipsticks products that are displayed within a physical wholesale or retail location.

Further, this MAP Policy only applies to advertised prices, not selling prices. Resellers remain free to establish their own resale prices. Each reseller is required to notify Pipsticks via email or updated Resale Verification Form of every website and/or brick & mortar location used to advertise and sell Pipsticks products.



MINIMUM ADVERTISED PRICE (MAP) POLICY

MINIMUM ADVERTISED PRICE

Minimum Advertised Price {MAP} Policy establishes advertised price standards for specified Pipsticks products. Advertised pricing of covered products must comply with this Policy. The products and MAP may be changed from time to time at Pipsticks' sole discretion. Pipsticks Resellers are responsible for remaining current with MAP policy and products. Manufacturer's Suggested Retail Pricing {"MSRP"} is located on the Pipsticks Website (www.pipsticks.com/wholesale). Pricing listed on an Internet site is considered an "advertised price" and must adhere to this MAP Policy. Once the pricing is associated with intent to purchase {added to shopping cart or order}, the price becomes the selling price and is not bound by this MAP Policy. In addition, 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 this MAP Policy. Each Reseller is responsible for ensuring its advertising complies with this Policy and that they are up to date on any changes to the policy, products, or MSRP. Each advertisement below the MSRP will be a violation of the policy. The products and MAP may be changed from time to time only by Pipsticks in its sole discretion.

POLICY COMPLIANCE

The minimum advertised price is the gross advertised price. Not including coupons that can be added once the item is in the shopping cart. Advertised discounts, compare-at pricing, and rebates are a violation of this policy. Any attempt to conceal or disguise the gross advertised price of any Pipsticks product, directly or indirectly, will be considered an attempt to undermine the MAP Policy and will therefore be considered a violation of the MAP policy. Such attempts may include, but are not limited to: The use of rebates, volume incentive discounts or any other type of discounting, not pre-approved by Pipsticks;

- The use of gifts premiums, or services associated with the purchase of any Pipsticks products, not pre-approved by Pipsticks;
- Bundling Pipsticks products together where the total gross advertised price for the bundle is less than the combined MSRP prices for the bundled products, not pre-approved by Pipsicks; and
- Omitting an advertised price, substituting "Call/Email" for Special Pricing", or any other language designed to obscure the advertised price.



MINIMUM ADVERTISED PRICE (MAP) POLICY

The following situations are not considered to be a violation of the MAP Policy: free shipping, sales tax rebates, coupons that are not auto-applied and must be entered at time of sale, point of sale signs, other shipping and packaging.

INTELLECTUAL PROPERTY

Pipsticks is the sole owner of all intellectual property rights associated with its products, including, but not limited to, all patent licenses, copyrights, registered and applied-for trademarks, trade names, brands, images, descriptions, and likenesses of its products (“Intellectual Property”). No alterations or assignments to Pipsticks’ Intellectual Property will be allowed without prior written consent from Pipsticks. Pipsticks reserves the right to revoke Intellectual Property usage privileges at any time for any reason without prior notification or warning to any Reseller. Resellers acknowledge that Pipsticks is the owner of the Intellectual Property and confirm and agree that any use of Intellectual Property by the Resellers and any goodwill generated by its use by the Resellers shall inure to the exclusive benefit of Pipsticks.

NO AGREEMENT – UNILATERAL ACTION

This MAP Policy has been unilaterally developed and adopted by PIPSTICKS and will be unilaterally enforced by PIPSTICKS. The business relationship between PIPSTICKS and each of its Resellers remains independent and “at will” and as such PIPSTICKS reserves the right to terminate such business relationship without cause and at any time. Nothing in this MAP Policy is intended to be a contract or agreement between PIPSTICKS and any Reseller as to the terms of this MAP Policy. PIPSTICKS will not enter into any discussions with any Reseller on any conditions of acceptance related to this MAP Policy, as it is non-negotiable, and will not be altered for any Reseller. PIPSTICKS neither solicits, nor will it accept, any assurance of compliance with this MAP Policy from any Reseller. It is entirely within the discretion of the Reseller whether to comply or not comply with this MAP Policy.

POLICY VIOLATIONS

Pipsticks shall determine any noncompliance of this MAP Policy, in its sole discretion. Pipsticks will not accept any communication from any Reseller regarding the willingness to bring its advertised prices into compliance with the MAP Policy. In the event a retailer chooses not to follow this MAP Policy, Pipsticks has the unilateral right to: a) revoke marketing allowances; b)



MINIMUM ADVERTISED PRICE (MAP) POLICY

revoke Intellectual Property use privileges; and/or c) terminate the business relationship altogether.

POLICY MODIFICATIONS

Pipsticks reserves the unilateral right to modify, suspend, or discontinue this MAP Policy, in whole or in part, or designate promotional periods during which the terms of this MAP Policy change or designate periods of time during which this MAP Policy is not applicable. In such an event, we reserve the right to modify or suspend this MAP Policy in whole or in part by notifying all Resellers of the duration and nature of the change. Pipsticks further reserves the right to adjust the MSRP with respect to all or certain products at its sole discretion. Such changes shall apply equally to all Resellers.

COMPLIANCE WITH LAWS

Resellers must comply with all federal, state, and local laws while advertising and selling Pipsticks products, including but not limited to all truth in-advertising laws.

CONTACT INFORMATION

Pipsticks sales personnel and rep companies have no authority to modify or grant exceptions to the MAP Policy or have any communications with any Reseller regarding the terms or non-compliance with this MAP Policy. All questions or comments regarding this MAP Policy are to be directed to the Policy administrator at wholesale@pipsticks.com.