

MINIMUM ADVERTISED PRICE (MAP) POLICY - NORTH AMERICA

Swagman has developed this policy to support all of our valued retailers in maintaining sustainable business relationships and protect Swagman's brand value. All sales of Swagman products (retail, internet, mail order or any other distribution) will be subject to this policy.

This policy sets forth our position regarding advertising, including online advertising, that includes prices for Swagman products. This policy does not dictate the price at which Swagman products may be sold. Swagman retains the right to sell, or not to sell, to any retailer to the extent permitted by law.

Swagman reserves the right to decide to sell, or not to sell, products to retailers who disregard this policy or whether or not a retailer who disregards this policy will remain authorized to sell Swagman products.

SALES & MARKETING POLICY

Swagman products should be marketed and sold in accordance to the following sales policy:

- Only authorized retailers may sell Swagman products.
- Authorized retailers shall market and sell Swagman products to consumers located within their respective territory (ex. purchased products in the United States are intended for promotion and distribution in the United States only).
- Sales of Swagman products through 3rd party site like Amazon or Amazon affiliates, Jet.com, Walmart.com, eBay, etc. are strictly prohibited unless specifically authorized in writing by Swagman. Sales cannot be made in auction mode.

Any retailer wanting to sell online must complete the <u>Online Retailer Authorization</u> form and obtain approval by Swagman.

MAP POLICY COVERAGE

This MAP policy covers all retailers located in North America, whether products are purchased directly from Swagman or through a distributor.

This MAP policy applies only to the prices published (either in print or via the internet) by dealers of Swagman products. The policy applies to all publications regarding Swagman products in any and all media viewable by the general public.

Refer to Swagman current price list for a detailed list of products covered by this policy. Any product not included in the most current price list will not be covered by this policy.



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MAP POLICY CONDITIONS

- 1. The "manufacturer's suggested retail price" or "MSRP" refers to the price identified in our communications with retailers in respect to Swagman product. We may adjust the MSRP in our sole discretion at any time. We will provide retailers with our MSRP on a yearly basis or as price changes.
 - Retailers will be provided a 14 days notice of any promotional prices offered by Swagman.
- 2. Swagman product should be advertised at no less than the current MSRP or MAP, whichever is lower.

We consider advertised price discounts, gifts, free merchandise, giveaways and promotional offerings in determining a retailer's advertised price.

- 3. Retailers are strictly prohibited to advertise pricing that implies that a lower price can be found at a further stage of the purchasing process or through any other link or method including, but not limited to, the examples below:
 - a. See price in cart
 - b. Email for better price
 - c. Login for pricing
 - d. Click here for lower price
 - e. Instant rebates
- 4. The following are the only exceptions to compliance with the MAP policy:
 - a. Sales made in conjunction with storewide loyalty program
 - b. Direct sales to employees of retailers
 - c. Closeout products (as defined by products not on the most current price list)
 - d. Special Make Ups (SMU) or Exclusive not included on the current Swagman price list. These must be identified as "Exclusive" or "Special Make".
 - e. Bankruptcy or liquidation sales
 - f. Special promotion authorized by Swagman (see standard promotional window). Any request for promotional window must be sent in writing to Swagman at least 14 days prior to the effective start date.

SWAGMAN PROMOTIONAL PERIODS

All retailers of our products will be given **2** periods during the year in which they will be permitted to advertise Swagman products below MAP up to a discount of 25% below MSRP.

- May 13th, 2019 May 28th, 2019
- November 22th, 2019 December 6th, 2019



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POLICY ADMINISTRATION

Any violation of Swagman MAP policy will be communicated to the retailer.

1st Violation

The retailer will be issued a warning. Violations must be corrected within 2 business days. If unchanged after 2 business days, Swagman will cease future shipments to the retailer until corrected and notify Distributors to cease shipping to retailer until violations are corrected.

2nd Violation

The retailer will be informed of the second violation. Swagman will hold shipments for a period of 30 days after the price violation has been corrected and notify Distributors to cease shipping to retailer for 30 days after the violations are corrected.

3rd Violation

The retailer will be informed of the third violation and will face possible account closure or "on-hold" status indefinitely and Distributors will be informed to suspend or close the account of retailers in violation.

Swagman may terminate, or require its wholesalers to terminate, its agreements with any retailer or wholesaler who fails to comply with the MAP policy. Dealers are responsible for maintaining familiarity with the contents of the current MAP policy, products and pricing.

No one other than the Policy administrator is authorized to discuss, modify, or alter the policy.

If you have any questions, please submit them by writing to:

Swagman 300-1880 Government Street Penticton, BC Canada V2A 7J1

Email: swagman@swagman.net

This policy is unilaterally announced by Swagman for the sale of its product. This policy is subject to change or modification at any time at the sole discretion of Swagman.