

## **DUPLOUSA, INC**

### **Minimum Advertised Price (MAP) Policy**

DuploUSA, Inc., ("Duplo") actively supports the advertising and promotion of its products by its domestic dealers, retailers and distributors through materials provided by Duplo at no or nominal cost. Duplo has built a strong reputation and following among consumers and has established a quality distribution network that actively promotes, educates and advertises our products to consumers. In order to retain our image, Duplo has determined that it shall not support advertising or promotional materials, through cooperative advertising or otherwise, that may affect its goodwill, or diminish, detract and/or damage the value of Duplo products and standards. Therefore, effective January 1, Duplo has established a minimum advertised price ("MAP") policy for Duplo products. The policy applies to U.S. distributors, dealers, and retailers only. The terms and conditions of this MAP policy do not apply to any resellers outside of the U.S.

#### **The MAP policy shall work under the following guidelines:**

1. The MAP for Duplo products shall be Manufacturers Suggested Retail Price ("MSRP") listed on Duplo's most recent price sheets for dealers, distributors, and retailers.
2. The MAP policy applies to all advertisements of Duplo products in any and all media, including, without limitation, flyers, posters, coupons, direct mailers, brochures, inserts, newspapers, magazines, catalogs, mail-order catalogs, public signage, other print media, television, radio, e-mail, Internet websites, e-commerce, any method which uses the hypertext transfer protocol (http) or any internal link to a web-based shopping cart, and other electronic media. The MAP policy is not applicable to any in-store advertising that is not distributed to any end customer. Free shipping and/or handling or free financing promotions do not violate the MAP policy.
3. The inclusion in advertising of free or discounted products, rebates, or bundled promotions (whether made by Duplo or another manufacturer), with a product covered by the MAP policy, would be contrary to the policy if it has the effect of discounting the advertised price of the covered product below the MAP.
4. MAP applies only to advertised prices and does not apply to the price at which the products are actually sold or offered for sale to an individual consumer within the dealer, distributor, or retailer's retail location or over the telephone. Duplo dealers, distributors, and retailers remain free to sell these products at any prices they elect.
5. A "click for price" button on a website that displays a price lower than MAP is a violation of this policy. The MAP policy, however, does not apply once an item is placed in a customer's "virtual shopping cart" on an internet website, as once the pricing is associated with the end customer's intent to purchase, the price is deemed the "selling price" and will fall outside the MAP policy.

6. Duplo's MAP policy does not in any way limit the ability of any dealer, distributor, or retailer to advertise that "they have the lowest prices", they "will meet or beat any competitors price", that prices are "too low to show", that consumers should "call for a price", or phrases of similar import, so long as the price advertised or listed for the products is not less than MAP. Prices may be omitted from advertisements, or may appear as "strike-through" or "mark-out" prices provided that such price in the advertisement is at or above the MAP. MAP does not establish maximum advertised prices and dealers, distributors, and retailers may offer Duplo products at any price in excess of the MAP established for such product.

7. From time to time, Duplo may discontinue models or engage in promotions with respect to certain products. In such events, Duplo reserves the right to modify or suspend the MAP with respect to the affected products upon notice of such change. MAP pricing is established by Duplo and may be adjusted at any time by Duplo in its sale discretion upon notice by Duplo. Duplo further reserves the right to unilaterally suspend, amend, or adjust the MAP at any time with respect to all or certain products in its sale discretion upon seven (7) days advance written notice. Such changes shall apply equally to all Duplo dealers, distributors, and retailers.

8. A first infraction for failure to follow this MAP policy will result in a warning and a fourteen (14) day opportunity to correct advertised pricing. Thereafter, if dealer, distributor, or retailer fails to do so, or if a second infraction occurs, Duplo may unilaterally and without further warning, discontinue selling products to and terminate its business relationship with such dealer, distributor, or retailer.

9. This MAP policy is not a contract or agreement, and Duplo does not seek nor will it solicit or accept any dealer, distributor, or retailer's agreement with our policy; nor will Duplo discuss your pricing, the pricing of others, or this Agreement beyond its terms. This MAP policy is unilateral policy upon which Duplo is willing to market its products and sales personnel have no authority to modify or grant exceptions.

10. The terms of this MAP policy are confidential and may not be disclosed to other parties. This MAP policy has been established by Duplo to help ensure the legacy of Duplo as a top producer of high quality graphic and duplicator products and to protect the reputation of its name, goodwill, standards, marks, and products. The MAP policy is also designed to protect the interests of our dealers, distributors, and retailers and to ensure same have the incentive to invest resources into services for Duplo customers.