

Polkadog Bakery's Minimum Advertised Pricing Policy

Effective July 1, 2015 Minimum Advertised Price (MAP) on all Polkadog products will be in effect.

Effective July 1, 2015, Polkadog, in its unilateral discretion, will not do business with any retailer, dealer or distributor if that reseller advertises any product covered by this MAP Policy below its MAP. Polkadog is confident that this program will strengthen its competitiveness and benefit its resellers.

In 2002 Polkadog Bakery started as a neighborhood shop where we handmade fresh dog treats daily. Over the years Polkadog has grown to supply retailers all over the country with hand-crafted quality dog and cat treats. To ensure that our retailers, dealers, and distributors can sell the premium Polkadog branded treats effectively, and to prevent destructive intra-brand channel conflict, we have decided to implement a Minimum Advertised Price (MAP) policy.

At Polkadog, we believe MAP policies promote a high level of customer service and product support. With an MAP in place, retailers, dealers and distributors who include in their business model the opportunity to provide customer service and care can compete in a modern marketplace.

This MAP Policy covers all Polkadog products. MAP will be defined as no less than 10% of the product's listed price on Polkadog's Suggested Retail Price List. Please also see Exhibit A for a complete list of products and their minimum prices.

The MAP Policy will be enforced by Polkadog Bakery in its sole discretion.

Under our MAP policy, advertising includes, but is not limited to: flyers, posters, coupons, newspapers, internet or similar electronic media including websites, forums, email newsletters, email solicitations, catalogs, public signage, displays at consumer exhibitions, television, radio, direct mail etc. Pricing listed on an internet site is considered an "advertised price" and must adhere to this MAP Policy.

In addition to this limitation on advertised pricing, this MAP Policy also applies to any activity which Polkadog determines, in its sole discretion, is designed or intended to circumvent the intent of this MAP Policy.

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's retail location or over the telephone.

Sales of any Polkadog products through third party retailing (such as eBay or Amazon) is strictly prohibited unless written authorization from Polkadog has been given.

For purposes of this MAP Policy, website features such as “click for price,” automated “bounce back” pricing emails, pre-formatted email responses, forms, automatic price displays for any items prior to being placed in a customer’s shopping cart, and other similar features are violations of this MAP Policy.

MAP does not establish maximum advertised prices. Dealers and sales representatives may offer Polkadog products at any price in excess of the MAP.

Polkadog recognizes that Retailers should retain some flexibility in the marketing and sale of Polkadog Products, in order to reflect local conditions and retail practices, provided that such practices are within the MAP Guideline. Accordingly, each of the following events will constitute exceptions to the strict compliance with MAP Guideline:

- a. Direct sales to employees of Retailers.
- b. Going out of business, or liquidation or bankruptcy-related sales.
- c. Product that is being discontinued either by Polkadog or by Retailer
- d. Holiday themed treats that are sold post-holiday
- e. Special promotional events, consistent with Polkadog’s marketing and sales programs, which have a term of not more than two weeks per event and which shall not exceed four events per calendar year per retailer (unless written authorization is given by Polkadog)

Policy Enforcement

First Violation: Dealer will receive a written warning of an initial violation.

Violations must be corrected within two (2) business days. If a violation is not corrected within two (2) business days, Polkadog reserves the right to cancel any pending orders and cease filling any new orders for the products in violation of MAP for a period of thirty (30) days.

Second Violation: Dealer will be notified of Second Violation status. Violations must be corrected within two (2) business days. Polkadog reserves the right to cease shipments of the products in violation for a period of sixty (60) days.

Third Violation: Dealer will be notified of Third Violation status. Polkadog reserves the right to suspend shipments of the products in violation for one (1) year.

MAP policy may be modified, suspended or discontinued at any time by Polkadog Bakery. Any special discounts and promotions that exceed 2 weeks duration need to receive prior written approval from Polkadog Bakery.