

## **Skout's Honor US Minimum Advertised Price Policy**

### **Effective September 30, 2016**

#### **1. Introduction**

Skout's Honor recognizes that our success is tied to the success of our network of select authorized dealers. We also know that many of our dealers invest significant time and resources to deliver an extraordinary customer experience. We want to protect their ability to do so, while at the same time discouraging price-based advertising that would be detrimental to our dealers' service and support efforts. As a result, Skout's Honor has unilaterally established this Minimum Advertised Price ("MAP") Policy.

Skout's Honor has been building a brand of strong recognition and a high perceived value since March 1, 2015. By not adhering to the established MAP a reseller can have a dramatic effect of diminishing or detracting from the perceived value of the Skout's Honor brand and its products. The internet, with its worldwide impact, has the possibility to cause great harm to any companies' products, if they are advertised at prices that will eliminate any legitimate retail competition. Our MAP Policy is intended for consumers to purchase from other resellers based on loyalty and customer care expectations. Therefore, if Skout's Honor agrees to allow your company to sell its products, you will need to agree and abide by the following requirements and restrictions.

#### **2. Policy Statement**

Skout's Honor, in its sole discretion, reserves the right to discontinue doing business with any reseller that advertises any product(s) covered by this MAP Policy at a price lower than the MAP.

#### **3. General Guidelines**

- a. MAP pricing for all Skout's Honor products can be found on your current price list. Skout's Honor may in its sole discretion modify this list from time to time. International accounts must reflect pricing as translated into their local currency.
- b. Skout's Honor recognizes that dealers are free to make their own decisions to advertise and sell any Skout's Honor product at any price they choose, without consulting or advising Skout's Honor, subject to this MAP Policy. Similarly, Skout's Honor will exercise its right to make its own decisions regarding our authorized reseller program, supplemental marketing materials, point-of-purchase displays, product allocation, new product availability, or future promotional, joint marketing, or sponsorship programs.
- c. The MAP Policy applies to advertised prices, not the price at which products are actually sold or offered for sale to an individual in-store or over the telephone.
- d. No reseller, dealer, distributor, or wholesaler of Skout's Honor products will be permitted to sell any Skout's Honor product on amazon.com, jet.com, walmart.com or chewy.com.

#### 4. Advertising Guidelines

- a. The MAP Policy applies to all advertisements of MAP Products in any and all media, including but not limited to flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, television, radio, and public signage, as well as Internet sites, social media sites, apps, or any other electronic media.
- b. The MAP Policy does not apply to solely on premise or in-store advertising that is not distributed to customers.
- c. Website features such as “click for price”, automated “bounce-back” pricing emails, preformatted email responses, forms, and automatic price displays for any items prior to being placed in a customer’s shopping cart, and other similar features are considered to be communications initiated by the dealer (rather than by the customer) and thereby constitute “advertising” under this MAP Policy.
- d. It shall not be a violation of this MAP Policy to advertise that a customer may “call for price” or “email for price”, or to use similar language, so long as no price is listed.
- e. This MAP Policy also applies to any activity that Skout’s Honor determines, in its sole discretion, is designed or intended to circumvent the intent of this MAP Policy, such as solicitations for ‘group purchases’ and the like.
- f. It shall not be a violation of this MAP Policy to advertise in general that the reseller has “the lowest prices”, will match or beat its competitors’ prices, or to use similar phrases; so long as the reseller does not include any advertised price below MAP and otherwise complies with this MAP Policy.
- g. From time to time, Skout’s Honor may permit resellers to advertise MAP Products at prices lower than the MAP price. In such events, we reserve the right to modify or suspend the MAP price with respect to the affected products for a specified period of time by providing advance notice to all resellers of such changes.
- h. By selling any Skout’s Honor Product, all dealers and resellers agree to hold all trademarks and copyrights of Skout’s Honor as the property of Skout’s Honor and to use advertising materials provided by Skout’s Honor in an authorized manner only.
- i. From time to time Skout’s Honor may offer a direct manufacturer’s rebate to customers. In such events, it shall not be a violation of this MAP Policy to advertise the availability of the manufacturer’s rebate, provided that:
  - i. the advertisement includes a MAP-compliant price, the rebate amount, and the net price after manufacturer’s rebate in the same type size and style;
  - ii. an asterisk is placed next to the net price after manufacturer’s rebate; and
  - iii. “\*after manufacturer’s rebate” appears in the same area of the advertisement as the advertised product.

## 5. Bundling Guidelines

- a. “Bundling” or advertising Skout’s Honor products for sale together with other products will violate this MAP Policy when:
  - i. the effective or stated price of the bundle represents a discount of greater than 33% of the MAP; or
  - ii. the product(s) bundled with MAP Products violate Skout’s Honor’s intellectual property rights; or
  - iii. the product(s) bundled with MAP Products include words, packaging, graphics, or other indicia that may create customer confusion as to the source of the product(s); or
  - iv. the effective or stated discount is greater than 33% of the highest priced item in the bundle.
- b. Product(s) bundled with the MAP Products must not, without conspicuous warning, be:
  - i. incompatible with Skout’s Honor products; or
  - ii. create or encourage additional risk of damage, bodily injury, or death to the customer if used together.
- c. Gift cards, coupons, points, or other incentives that are contingent on the purchase of a MAP Product will violate this MAP Policy when:
  - i. the effective or stated price of the bundle represents an immediate discount of greater than 33% of the MAP; or
  - ii. the effective or stated price of the bundle represents a discount of greater than 33% of the MAP after taking into consideration any contingent future purchase.
- d. Rebate programs from Skout’s Honor are exempt from this policy.

## 6. Policy Enforcement

- a. If a dealer with multiple store locations violates this MAP Policy at any one store location, or on any associated website, then Skout’s Honor will consider this to be a violation by the dealer.
- b. Skout’s Honor reserves the right to cancel any pending orders, restrict future orders, or suspend dealers’ account if we reasonably believe:
  - i. a dealer has violated the provisions of this policy; or
  - ii. a dealer intends to violate this policy.
- c. Skout’s Honor MAP Policy Administrator is solely responsible for determining whether a violation of the MAP Policy has occurred, as well as determining appropriate sanctions.
- d. Waivers to this MAP Policy may be granted in Skout’s Honor’s sole discretion by the MAP Policy Administrator in writing. Skout’s Honor’s Sales, Marketing, or other personnel are not authorized to modify or grant exceptions to the MAP Policy. In the event that the MAP Policy Administrator authorizes a waiver to the MAP Policy, dealers must strictly adhere to the terms of

the waiver letter. Deviation from the terms of a waiver letter is a violation of the MAP Policy.

- e. Skout's Honor monitors the advertised prices of dealers, either directly or via the use of 3<sup>rd</sup> party agencies or tools. Dealers are expected to provide reasonable cooperation in any investigations regarding possible MAP Policy violations. Hindering, obstructing, delaying, or otherwise failing to cooperate with a MAP Policy investigation is a violation of this MAP Policy.
- f. The MAP Policy will be enforced by Skout's Honor in its sole discretion and without notice. Dealers, distributors, and resellers, have no right to enforce the MAP Policy. Violations of this policy may result in any of the aforementioned sanctions up to and including termination of our business relationship, as well as any available remedies at law. All questions related to this MAP Policy should be directed to: [logistics@skoutshonor.com](mailto:logistics@skoutshonor.com)
- g. Sales representatives of Skout's Honor products will supply a copy of this Skout's Honor MAP Policy to any new or existing dealer or reseller to be filled out, acknowledged, and returned to Skout's Honor. This form shall be signed and returned to Skout's Honor and in doing so, will bind the dealer or reseller to abide by the MAP Policy and other requirements spelled out in this document.

## MAP Policy Agreement Confirmation

This MAP Policy has been established by Skout's Honor to help ensure the legacy of Skout's Honor and to protect the reputation of its name and products. The MAP Policy is also designed to ensure dealers and sales representatives have the incentive to invest resources into services for Skout's Honor customers. Please indicate your understanding of this Policy and your willingness to abide by its terms and conditions by signing and listing the name of your company below.

Agreed to by:

Company name: \_\_\_\_\_

Any and all other names by which this company operates:

\_\_\_\_\_

Principal name printed: \_\_\_\_\_

Principal Signature: \_\_\_\_\_

Date signed: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Website URL: \_\_\_\_\_

If in agreement with this policy then please fill out the requested information and sign it. You may fax this confirmation page to: 949-271-3691 or scan and email it to: [logistics@skoutshonor.com](mailto:logistics@skoutshonor.com).

**IMPORTANT: As of November 30, 2016, no shipments will be made to any dealer, reseller, wholesaler or distributor without having completed this form and returning it to Skout's Honor.**