

## **MINIMUM ADVERTISED PRICING POLICY/AGREEMENT**

Interactive Life Forms, LLC (“ILF”) actively supports the advertising and promotion of its products by its dealers and their sales representatives through materials provided by ILF at no or nominal cost. Effective July 20, 2015, a NEW Minimum Advertised Price (“MAP”) on all ILF products will be in effect. This policy applies only to U.S. dealers and their respective sales representatives. We have implemented this MAP policy to preserve our strong reputation for providing customers with high value products and valued after sales support. We greatly appreciate the efforts of all dealers and their respective sales representatives to distribute our products and support their customers. ILF, 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.

Please review the following terms and conditions of our policy:

1. The MAP for all ILF products shall be no less than 10% off Manufacturer’s Suggested Retail Price (“MSRP”) listed in Exhibit A attached hereto. ILF at its sole discretion may modify this list and/or MSRP from time to time.
2. This MAP policy applies to all forms of product marketing and/or advertising, including, without limitation, flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, mail order catalogs, online, social media sites, apps and internet or similar electronic media, television, radio and public signage. The MAP policy is not applicable to any in-store advertising that is displayed only in the physical store and not distributed to any customers.
3. This MAP policy only applies to advertised prices and does not apply to the price at which the products are actually sold or offered for sale to an individual customer within the distributor’s retail location or over the telephone. ILF distributors remain free to sell MAP products below MAP. We cannot discuss your pricing practices with you or make any agreements with you regarding your pricing practices. ILF cannot negotiate or make any exceptions with respect to the MAP policy.
4. Website features such as “click for price”, automated “bounce-back” pricing e-mails, pre-formatted e-mail responses, forms, and automatic price display 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.
5. MAP does not establish maximum advertised prices. If pricing is displayed, any strike-through or other alteration of the MAP is prohibited. Advertisements for bundles (from ILF or third party) including an ILF product must separately list the price of the ILF product at a figure that is at or above its MAP.
6. ILF’s MAP policy does not in any way limit the ability of a dealer to advertise they “have the lowest prices” or “will meet or beat any competitor’s price,” that consumers should “call for a price” or phrases of similar import as long as the price advertised or listed for products is not less than MAP.
7. Intentional and/or repeated failure to abide by this policy will result in termination of distributorship. ILF does not intend to do business with distributors or sales representatives who

degrade the image of ILF and its products. ILF reserves the right to cancel any pending orders, restrict future orders, or suspend distributors' account if ILF reasonably believes:

- a. a distributor has violated the provisions of this policy; or
- b. a distributor intends to violate this policy.

ILF will not provide notice or issue warnings before taking action under this policy.

8. ILF monitors the advertised prices of distributors, either directly or via the use of 3rd party agencies or tools. Distributors are expected to provide reasonable cooperation in any ILF investigations regarding possible MAP policy violations. Hindering, obstructing, delaying, or otherwise failing to cooperate with a ILF MAP policy investigation is a violation of this MAP policy.
9. The MAP policy will be enforced by ILF in its sole discretion and without notice. Distributors 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: [wholesale@fleshlight.com](mailto:wholesale@fleshlight.com).
10. Terms of this MAP policy are confidential and should not be disclosed to other parties.

This MAP policy has been established by ILF to help ensure the legacy of ILF as a top producer of high quality adult products and novelties and to protect the reputation of its name and products. The MAP policy is also designed to ensure dealers and distributors have the incentive to invest resources into services for ILF 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. Distributors of ILF products will supply a copy of the ILF MAP policy to any new or existing customers to be filled out, acknowledged and returned to ILF. This form shall be signed and returned to ILF and in doing so, will bind the distributor/wholesaler to abide by the MAP and requirements spelled out in this document.

Agreed to by:

Dealership name: \_\_\_\_\_

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

Dealer Principal Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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

ILF Customer Number: \_\_\_\_\_ Phone: \_\_\_\_\_

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

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