

# Straight Arrow Products, Inc. MAP Pricing and Online Resale Policy

THIS DOCUMENT CONSTITUTES A UNILATERAL DECLARATION OF POLICIES AND GUIDELINES BY STRAIGHT ARROW PRODUCTS, INC. (SAPI) REGARDING CONSISTANT ADVERTISED PRICING AND ONLINE ADVERTISING AND SALES OF PRODUCTS MANUFACTURED BY SAPI (THE "PRODUCTS"). THE RECIPIENT OF THIS DOCUMENT IS SPECIFICALLY NOTIFIED THAT FAILURE TO ADHERE TO THE FOREGOING POLICIES WILL POTENTIALLY LEAD TO DAMAGES TO SAPI AND/OR DISTRIBUTORS AND RESELLERS IN THE CHAIN OF DISTRIBUTION FOR THE PRODUCTS.

#### BACKGROUND

SAPI has been a leading manufacturer of high-quality human, equine, and small pet grooming products going on 50 years. Online, SAPI's brand integrity is linked to the quality of products shipped to consumers, which in turn affects online consumer reviews. In order to preserve our reputation and our brand integrity online, SAPI is unilaterally instituting this policy pertaining to the resale by its direct Distributors and Wholesalers to online resellers. Similarly, SAPI is committed to promoting a fair sales environment for wholesalers, distributors and resellers of the Products and in doing so seeks to provide buyers with consistent, straightforward minimum advertised pricing ("MAP").

# **GENERAL ONLINE SALES GUIDELINES**

Any Distributor and/or Wholesaler who buys Products directly from SAPI and then sells to retailers that resell online needs to adhere to the below policy, as described below, to ensure that these online retailers meet SAPI guidelines with regards to SAPI's promotion, offerings, and shipping. SAPI's guidelines for online resale include:

- Items must be listed with approved images and descriptions provided by SAPI.
- Incorrect Categories for products must not be created, or participated in.
- Shipments must be e-commerce compliant (i.e. gripper sealed and boxed properly)
- Incorrect UPC's, intentional variations, multi packs/ bundles, mixing of other companies' brands with SAPI, etc. are strictly prohibited.
- Misleading sizes and images are strictly prohibited. All Products delivered to customers must be consistent with the Products as advertised with respect to size, labeling, product age, and in all other material respects.
- Do not answer questions about SAPI items on any online forum.
- Follow established rules of digital domain (online) you are utilizing.
- Master SAPI shipping cartons are not for on-line shipping

Phone: 610-882-9606 • Fax: 610-882-9688 • Toll Free: 800-827-9815 • Web site: www.straightarrowinc.com



### MINIMUM ADVERTISED PRICING

MAP pricing for all Products can be found on the attached current price list. This list may be updated by SAPI from time to time and such updated pricing shall be deemed in effect from the time of notification delivered by SAPI to Distributors and Wholesalers. All advertised prices must be at or above MAP for all Products in accordance with the then-current MAP price established by SAPI. Resellers are not required to list prices in advertising. If a price is listed in an advertisement it must be at or above MAP. The following actions are permissible and are <u>not</u> considered violations of MAP pricing:

- 1. Statements such as "call for price" or "call for quote" are so long as such statements do not state or imply that a price lower than the MAP price will be charged.
- 2. Offers of free shipping or handling.
- Advertising prices below MAP when such lower price advertising is specifically authorized by SAPI for any period or periods of time as directed by SAPI.
- 4. Advertised prices which are in excess of MAP.
- 5. Sales which are conducted a below- MAP pricing so long as no <u>advertised</u> price is below MAP levels.
- 6. Advertised price matching policies. Such advertising language can state that the seller will match the prices of other sellers but cannot specifically advertise a particular sub-MAP price. Price matching cannot be used as a valid reason for violations of SAPI's MAP Policy. Advertised price must always be at MAP or higher.
- 7. Any promotion which is pre-approved by SAPI.

SAPI's MAP policy for all Products apply to advertising placements, including but not limited to: print ads (inserts, magazines, newspapers, catalogs, mail order catalogs, etc.), broadcast (radio and TV), direct mail, faxes, internet placement with third parties (banner ads, broadcast emails, destination pages, third-party sites), internet placements on resellers own website, and any flyers, posters or coupons. It shall be in the sole discretion of SAPI to determine whether any type of communication is subject to the MAP policy and to enforce the said policy accordingly.

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#### CHAIN OF DISTRIBUTION

Distributors and Wholesalers are responsible for ensuring that their resellers are in full compliance with MAP pricing. Resellers are free to set the actual resale price of any Product as long as it is at or above MAP price given the most recent publication of the price list. If any reseller violates the MAP policy then all distributors, wholesalers and other parties in the chain of distribution leading to such reseller shall likewise be deemed in violation of MAP policies and may be subject to all remedies and penalties available to SAPI under this document or otherwise. All distributors and wholesalers engaged in selling the Products are advised to provide copies of this document to their resellers along with any updates to MAP pricing as published from time to time by SAPI.

# REMEDIES FOR VIOLATION OF MAP POLICY

SAPI is committed to ensuring that MAP policies are enforced throughout the marketplace to promote fairness among sellers and to preserve the valuable brand reputation & identity of the Products. Failure to comply with MAP, or efforts to undermine, circumvent or defeat the said policies, may result in the immediate loss of Authorized Reseller status and the ability to purchase all the Products both direct as well as through distribution going forward. In order to encourage corrections to unacceptable advertised pricing behavior, SAPI may proceed through the following steps of warning and enforcement:

- a. First violation: Authorized Reseller's account will be put on hold temporarily and a written warning will be provided. MAP violations must be corrected within 24 hours from SAPI notification. Upon correction and following 30 days of compliance, violation will be cleared.
- b. Second violation: Authorized reseller's account will be put on hold for 30 days.
- c. Third violation: Authorized Reseller's account will be put on hold for 180 days. After this duration, SAPI will review and determine if account is to be reinstated.
- d. Fourth violation: Should SAPI decide to reinstate an Authorized Reseller who has previously demonstrated a third violation, yet violates a fourth time, the account will be unauthorized indefinitely.



# REMEDIES FOR VIOLATION OF MAP POLICY CONT.

In the event that corrective action is not taken in a timely and effect manner, SAPI will utilize some or all of the following steps to resolve MAP violations which are not corrected as soon as practicable but in any event within 24 hours of notification:

- 1) SAPI reserves the right to pursue legal and/or equitable remedies to the extent permitted by law in any applicable jurisdictions.
- 2) SAPI may issue, in its sole discretion, cease and desist letters, warnings and other communications to violators of MAP.
- 3) SAPI may reduce, interrupt, restrict, cancel or otherwise impact the delivery of Product to or on behalf of any party in violation of MAP.
- 4) SAPI may publicize or otherwise communicate warnings to distributors, wholesalers, resellers and or the market at large regarding unauthorized parties engaged in unfair price advertisement in violation of MAP. In this regard SAPI may produce a "Do Not Sell" list identifying parties who should not be trusted to participate in the sale or distribution of the Products.
- 5) SAPI reserves the right to discontinue its business relationship with any party who it determines has violated or has tolerated or assisted in the violation of the MAP policy.
- 6) SAPI may immediately revoke, terminate or suspend the right of any offending party to utilize the name, images, trademarks and other intellectual property relating to the Products. Following any such revocation, termination or suspension SAPI shall deem unauthorized use of its name, images, trademarks and other intellectual property to be the grounds for additional enforcement actions.



#### **GENERAL PROVISIONS**

SAPI may amend, modify, withdraw or replace this policy from time to time at its discretion and will communication such changes to the undersigned and other participants in the marketplace for the Products by such means of publication as it deems practicable. To the extent that any provisions, terms or conditions of this policy are in conflict with any express, written contract or agreement (the "Agreement") entered into between the recipient of this document and SAPI then the terms of the Agreement shall be controlling. In the event that this MAP Pricing and Online Resale Policy is deemed to be a contract by any court of competent jurisdiction then this document shall be interpreted according to the laws of the Commonwealth of Pennsylvania.

STRAIGHT ARROW PRODUCTS, INC.

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By: Kerry Samone VP Sales

#### ACKNOWLEDGMENT

The undersigned hereby acknowledges receipt of the above MAP Pricing and Online Resale Policy and has been advised of the critical importance of the foregoing policies to the business interests of SAPI and to the preservation of the value and marketability of the Products. The undersigned further promises to provide a copy of this MAP Pricing and Online Resale Policy to any other person or party who enters into the chain of distribution of the Products. [To the extent permitted by applicable law, the undersigned agrees to be bound by the foregoing terms, conditions and policies in connection with the pricing, sales and distribution of the Products in all applicable jurisdictions.]

By:				
,				

February, 2020

MSRP

MAP

Size

12 oz.

Shampoo Shampoo Shampoo

Cowboy Magic

RP	۵	Description	Size	MAP		MSRP	
23.99	De	Detangler & Shine	32 oz.	\$ 40	40.99	\$ 4	49.99
8.99	De	Detangler & Shine	16 oz.	\$ 18	18.99	\$ 2	26.99
4.99	De	Detangler & Shine	4 oz.	\$ 10	10.50	\$ 1	11.99
2.99	De	Detangler & Shine	1 oz.	\$ 3	3.99	\$	4.99
14.99	낊	Rosewater Shampoo	Gallon	\$ 25	25.99	\$ 2	29.99
3.99	R	Rosewater Shampoo	32 oz.	\$	66.6	\$ 1.	14.99
49.99	R	Rosewater Shampoo	16 oz.	\$ 7	7.99	\$ 1.	12.99
18.99	Ϋ́	Rosewater Shampoo	2 oz.	\$ 2	2.99	\$	3.99
6.99	R	Rosewater Conditioner	Gallon	\$ 25	25.99	\$ 20	29.99
4.99	Ϋ́	Rosewater Conditioner	32 oz.	\$	9.99	\$ 14	14.99
23.99	R	Rosewater Conditioner	16 oz.	\$ 7	7.99	\$ 1.	12.99
8.99	R	Rosewater Conditioner	2 oz.	\$ 2	2.99	\$	3.99
4.99	ō	Greenspot Remover	Gallon	\$ 25	25.99	\$ 29	29.99
2.99	ত	Greenspot Remover	32 oz.	\$ 10	10.99	\$ 14	14.99
49.99	ত	Greenspot Remover	16 oz.	\$ 7.	7.99	\$ 13	12.99
18.99	ō	Greenspot Remover	3.4 oz.	\$ 3	3.99	\$	4.99
66.9	Υe	Yellowout Shampoo	32 oz.	\$ 10	10.99	\$ 14	14.99
4.99	Ϋ́e	Yellowout Shampoo	16 oz.	\$ 8	8.99	\$ 13	12.99
11.99	Ϋ́e	Yellowout Shampoo	2 oz.	\$ 3.	3.99	\$	4.99
5.99	Su	Super Bodyshine	Gallon	\$ 25.	25.99	\$ 29	29.99
1.99	Su	Super Bodyshine	32 oz.	\$ 10.	10.99	\$ 15	15.99
34.99	Su	Super Bodyshine	16 oz.	\$ 8	8.99	\$ 12	12.99
14.99	Su	Super Bodyshine	3.4 oz.	\$ 3.	3.99	\$	4.99
13.99							
16.99	20.	2020 Wrap Promotion		24			
	_				ŀ		

3.99 \$ 21.99 \$

3.4 oz. Gallon

32 oz. 12 oz.

Conditioner Conditioner Conditioner

Conditioner

4.99

45.99 14.99

Gallon

Ultimate Gloss Shampoo Ultimate Gloss Shampoo Ultimate Gloss Shampoo Ultimate Gloss Shampoo

Spray 'n White Spray 'n White

32 oz.

6 oz.

5.99 \$

2.99 1.99 45.99 14.99

\$ 66.4

Gallon 32 oz.

Ultimate Gloss Conditioner Ultimate Gloss Conditioner Ultimate Gloss Conditioner Ultimate Gloss Conditioner

2 oz.

3.4 oz.

6 oz.

32 oz.

Hoofmaker with pump

Hoofmaker Hoofmaker Mineral Ice Mineral Ice

1 oz.

6 oz. 5 lb. 1 lb.

3.99 \$ 8.99 \$ 3.99 \$ 1.00 \$

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5.99 16.99

4.99 \$

14.99 \$ \$ 66.8

32 oz.

**Topical Skin & Wound Treatment Fopical Skin & Wound Treatment** 

4 oz.

4 oz.

24.99 \$ 11.99 \$ 11.99 \$ 14.99 \$

32 oz. 32 oz.

Spray-Away Medicated Shampoo Medicated Shampoo 15.99

10.99 \$

32 oz. 3.4 oz.

Shine On with Sprayer Shine On with Sprayer

Thrush Treatment

Vound Cream

16 oz.

2.99

Gallon 32 oz.

Detangler with Sprayer Detangler with Sprayer Detangler with Sprayer

Detangler

16 oz.

12.99 3.99

-	MSRP
\$	26.99
\$ 6	29.99
	18.99 \$ 25.99 \$

**Exhibitor's** 

MSRP	16.99	4.99	16.99	4.99	39.99	15.99	2.99	39.99	15.99	2.99	39.99	15.99	2.99	25.99	15.99	3.99	16.99	3.99
_	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	s	S	\$	\$	↔
MAP	13.99	3.99	13.99	3.99	29.99	11.99	1.99	29.99	11.99	1.99	29.99	11.99	1.99	19.99	12.99	2.99	11.99	2.99
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
10			4								N.							
Size					1.													
	32 oz.	3.4 oz.	32 oz.	3.4 oz.	64 oz.	16 oz.	2 oz.	64 oz.	16 oz.	2 oz.	64 oz.	16 oz.	2 oz.	64 oz.	16 oz.	3.4 oz.	32 oz.	3.4 oz.
Description	EL Quic Shampoo	EL Quic Shampoo	EL Quic Conditioner	EL Quic Conditioner	EL Quic Silver Shampoo	EL Quic Silver Shampoo	EL Quic Silver Shampoo	EL Quic Color Shampoo	EL Quic Color Shampoo	EL Quic Color Shampoo	EL Quic Black Shampoo	EL Quic Black Shampoo	EL Quic Black Shampoo	EL Quic Braid	EL Quic Braid	EL Quic Braid	EL Quic Sheen	EL Quic Sheen

# 2020 Wrap Promotion

Description	MAP	MSRP
Free 16 oz. Quic Sheen W/ 64 oz. Quic Silver	29.99	\$ 39.99

MAP stands for "minimum advertised price." MSRP stands for "manufacturer's suggested retail price Advertised prices which are in excess of MAP, are not in violation of MAP.

23.99 23.99 29.99

17.99 \$ 21.99 \$ 25.99 \$

Free 16 oz. Detangler / 32 oz. Shampoo & Conditioner Free 32 oz. Conditioner with Gallon Shampoo Free 32 oz. Detangler with Gallon Detangler

Description

2020 Wrap Promotion

Spray 'n Braid Spray 'n Braid MSRP

MAP

Revised 3/3/20