

Internet Minimum Advertising Price Policy for Source Naturals® and Planetary® Herbals

Effective December 1, 2017, Threshold Enterprises, Ltd., the manufacturer of Source Naturals® and Planetary® Herbals ("Manufacturer") hereby adopts the following Internet Minimum Advertised Price Policy ("MAP" or "MAP Policy"). This MAP Policy is designed to protect the long term strength and integrity of our brands and retailers' investment in Manufacturer's products ("Products") by helping retailers engage in advertising that best conveys to customers the value of Manufacturer's Products.

Internet Minimum Advertised Price Policy (MAP)

A. This MAP Policy applies to all E-commerce retailers and websites ("Retailers"), which includes E-commerce sites for those vendors who also have retail stores. This MAP Policy only applies to advertised prices and does not apply to the prices at which Products are actually sold. Each Retailer remains free to set its actual resale price for any Product at their sole discretion.

B. **The Internet Minimum Advertised Price shall be no more than 30% off the most current Manufacturer's Suggested Retail Price ("MSRP") of Source Naturals® and Planetary® Herbals products.** Our current MSRP listings can be found at <u>www.thresholdenterprises.com</u> This MAP Policy shall apply to all E-commerce Retailers. Minimum Advertised Prices may be adjusted by Manufacturer from time to time, in its sole discretion. Advertised Price shall mean any display of a price on any web page and in any manner, or otherwise sending or causing to send a price via email, text or any other method to a customer or potential customer in advance of adding a product to a shopping cart or to the checkout process.

C. This MAP Policy applies to all advertisements of Manufacturer's Products over the Internet or similar electronic media including websites, email newsletters, and email solicitations, and in any and all other media, including, but not limited to text messages, flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, television, radio and public signage. No such advertisement will represent or imply that any Product may be sold by a Retailer, Sub Distributor or Fulfillment Center for less than the Minimum Advertised Prices.

D. Bundling or including a free or discounted product (whether made by Manufacturer or another manufacturer) with a Manufacturer's Product would violate this MAP Policy and is not permitted. For multipack offers, the Minimum Advertised Price of the multipack is the quantity of SKU(s) in the multipack multiplied by the respective Minimum Advertised Price of the SKU(s) that comprise said multipack.

E. Any strike-through or other alteration of the MSRP that results in a price below MAP is prohibited.

F. The MAP Policy does not establish maximum advertised prices. All Retailers may offer Manufacturer's Products at any price in excess of the Minimum Advertised Price. Internet auctions may not display or have reserved bid, "buy it now", or other acceptable prices below the Minimum Advertised Price.

G. The MAP Policy does not in any way limit the ability of any Retailer to advertise that "they have the lowest prices" or they "will meet or beat any competitor's price," that consumers should "call or email for a price" or phrases of similar import as long as the price advertised or listed for Products is not less than the Minimum Advertised Price.



H. From time to time, Manufacturer may permit Retailers to advertise one or more of the Products covered by this MAP Policy at prices lower than the MAP for a specified period. In such case, Manufacturer will notify its resellers in writing and in advance of the details of the limited suspension or modification of this MAP Policy.

I. Including in any advertising for a Product covered by this MAP Policy a volume discount, rebate, free product, gift card, coupon, or any other type of promotional program or discount that would directly or indirectly reduce the advertised price of the Product below the Minimum Advertised Price then in effect will constitute a violation of this MAP Policy.

J. A Retailer with multiple web sites that violates this MAP Policy at any particular website will be considered to have violated this MAP Policy at all of its sites.

K. This MAP Policy is unilateral. We do not seek and will not accept any agreement as to its terms or enforcement. No Threshold employee has the authority to alter or waive this Policy or its enforcement. No oral communications about this Policy are authorized.

L. In the case of a violation of the MAP Policy, Manufacturer has the sole discretion to take the following unilateral actions against the Retailer:

<u>1st Violation</u>: Send written warning. Request to abide by this MAP Policy within 24 hours. <u>2nd Violation</u>: Send written warning. Request to abide by this MAP Policy within 24 hours. Suspend purchasing privileges pending compliance.

<u>3rd Violation</u>: Send written warning. Request to abide by this MAP Policy within 24 hours. Suspend purchasing privileges for 30 days or terminate all future purchasing at Threshold's sole discretion.

M. Threshold will implement this MAP Policy unilaterally based upon information deemed sufficient by Threshold, and all such determinations are final. We reserve the right at any time to modify this Policy, to offer special promotions on certain products, to establish new or different policies or to discontinue any or all such policies. This MAP Policy shall remain in effect until modified or terminated by Manufacturer in a writing sent to Retailers.

N. Any communications concerning any aspect of this MAP Policy shall be solely in writing directed to MAP Administrator at the above address or by email to <u>MapAdmin@thresholdent.com</u>