



Minimum Advertised Price (MAP) Policy

It is often necessary for authorized retailers and their sales associates to commit significant time and resources toward learning and supporting the products supplied by Snowflake Designs, Inc. We recognize significant costs involved in developing, protecting, advertising, and branding our products and educating the consumer about each product's unique value. As such, we offer our products to authorized retailers at a cost/price structure we believe support the profitability necessary to fund the aforementioned activities.

Therefore, it is the purpose of this MAP policy to support our mutually beneficial cost/price structure and to maintain a level playing field for all authorized retailers regardless of size and purchasing power. Similarly, we believe a sound MAP policy protects the consumer from unauthorized retailers who have no knowledge of the products, provide no support, and in some cases misrepresent product availability.

This MAP policy refers **only** to the price an authorized retailer chooses to advertise in print, direct mailing, radio, internet, email, telephone, FAX, and all other forms of pricing advertisement. This MAP policy does **not** refer to the price an authorized retailer actually sells our products. Our authorized retailers are free to sell Snowflake Designs, Inc.'s products at whatever price they may choose.

BUNDLES

In the event one or more Snowflake Designs, Inc.'s products are bundled in an advertisement, the aggregate price for all products offered for sale in the bundle must not exceed the percentage discount of MAP covering the products in the advertisement.

Any additional advertised offer that is related in any way to the sale of a Snowflake Designs, Inc.'s product that adds any additional value to the sale of said product advertised at or below MAP will be considered a violation of this MAP policy.

REBATES

Any rebate associated with the advertisement of a Snowflake Designs, Inc.'s product at or below MAP, whether at point of sale or after the fact and whether offered by the authorized retailer or a third party, will be considered a violation of this MAP policy. The sole exception shall be a rebate offered directly from Snowflake Designs, Inc. to the authorized retailer.

RETURN POLICIES

We recognize some percentage of our authorized retailers offer liberal return policies associated with the sale of Snowflake Designs, Inc.'s products. Snowflake Designs, Inc. considers any product that has been sold, delivered, and worn¹ by a consumer is considered a used product. Therefore, any Snowflake Designs, Inc.'s product that has been sold or delivered to a customer then returned to an authorized retailer for any reason may be advertised below MAP if and only if the wording "USED" or "PREVIOUSLY SOLD" is present in conjunction with the advertisement. The designation "USED" or "PREVIOUSLY SOLD" must be a **prominent** part of the advertisement and must be

¹ Any garment worn for sizing purpose is considered worn if stained in any way including bodily fluids.



listed with each Snowflake Designs, Inc.'s product in the advertisement that is offered below MAP. The terms "OPEN BOX", "RETURNED" or "SECONDS" will **not** be accepted as an identifier for this type of product when advertised below MAP.

Any Snowflake Designs, Inc.'s product that is advertised below MAP that does not include the designation "USED" or "PREVIOUSLY SOLD" specifically as a prominent part of the advertisement, listed with each Snowflake Designs, Inc.'s product in the advertisement, will be considered a violation of this MAP policy.

INTERNET & EMAIL

Any information relating to Snowflake Designs, Inc.'s products on an internet website is considered to be advertising for the purposes of this policy.

Any email quote below the MAP will be considered a violation of this MAP policy.

The sale of Snowflake Designs, Inc.'s products below MAP on eBay or any other auction website is prohibited and will be considered a violation of this MAP policy.

TELEPHONE & FAX

Any telephone or facsimile (FAX) quote below the MAP will be considered a violation of this MAP policy.

MAP DISCLOSURE

The wording "minimum advertised price" and/or "MAP" shall not appear in any advertisement featuring Snowflake Designs, Inc.'s products (e.g., "\$42.00MAP") nor shall any reference be made to the existence of a MAP policy precluding a lower price from being advertised (e.g., "although we sell below MAP pricing, we are not allowed to post this price", "policy forbids us to advertisement our price on this product"). Such references shall constitute implicit below MAP advertising and will be considered a violation of this MAP policy.

AUTHORIZED RETAILER COST/PRICE SCHEDULE

MAP prices are listed on our confidential authorized retailer price list. MAP prices may be adjusted at the sole discretion of Snowflake Designs, Inc.

It is each authorized retailer's sole responsibility to reference the most current available price list to determine MAP prices. The current price is available to authorized retailers at any time by written request.

MAP VIOLATIONS & SANCTIONS

If an authorized retailer advertises any Snowflake Designs, Inc.'s products below the Minimum Advertised Price, Snowflake Designs, Inc. will impose, at our sole discretion, the sanctions set out below.

- 1st Violation- Eligibility to purchase from Snowflake Designs, Inc. will be suspended for 90 days
- 2nd Violation- Eligibility to purchase from Snowflake Designs, Inc. will be suspended indefinitely