## **Minimum Advertised Price Policy**

## Introduction

Hewy Wine Chillers, LLC (the "Company") values its relationships with those members of its wholesale retailer program (each, a "Retailer," and collectively, the "Retailers"), and recognizes each Retailer's commitment to providing consumers of Corkcicle® products with the highest level of service and support. Additionally, the Company understands that the success of Corkcicle® products correlate with the success of the Retailers, and that certain types of advertising is not only damaging to Corkcicle® products' achieved standards and reputation, but would be detrimental to the Company's and the Retailers' service and support efforts. Therefore, the Company is unilaterally implementing the following Minimum Advertised Price Policy (the "MAPP"), effective September 1, 2016, to discourage harmful price-based advertising.

## **MAPP Guidelines**

- 1. Authorized Wholesale Retailers. In order to become a Retailer in Company's wholesale retailer program, such Retailer, or Retailer candidate, must be a brick and mortar retailer only, or a brick and mortar retailer with a corresponding branded website. An e-commerce only retailer may not be a Retailer, unless approved in writing by Company. Additionally, any sales through, or sales listings on, a Third Party Website are strictly prohibited, as further set forth in Section 10 herein. Any Retailer or Retailer candidate who misrepresents itself in order to become a Retailer in Company's wholesale retailer program will be immediately dismissed from the program, and Company may, in its sole and absolute discretion, terminate or limit its business relationship with such Retailer or Retailer candidate.
- 2. Advertising Subject to MAPP. This MAPP applies to:
  - a. all advertisements of all Corkcicle® products subject to this MAPP (the "MAPP 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, online paid search ads, online shopping comparison ads, internet landing pages, social media sites, apps, or any other electronic media (collectively, "Advertisements");
  - b. website features such as "Click for Price," automated bounce-back pricing emails, preformatted email responses, forms, automatic price display for any items prior to being placed in a customer's shopping cart, and any other similar feature that is considered to be communication initiated by the Retailer (rather than by the consumer); and
  - c. any activity which the Company determines, in its sole discretion, is designed or intended to circumvent the intent of this MAPP.
- 3. Advertising Not Subject to MAPP. It shall not be a violation of this MAPP to:
  - a. Advertise that a customer may "call for price," "email for price," or view pricing or discounts applied at checkout, so long as no price is listed;
  - b. participate in solely on-premises or in-store advertising that is not distributed to customers; or
  - c. Advertise that the Retailer has the lowest prices or will match or beat its competitors' prices, or to use similar phrases, so long as the Retailer does not include any advertised price below MAPP pricing and otherwise complies with this MAPP.
- 4. MAPP Products and Pricing. The Company publishes each Corkcicle® product's MAPP retail price on its website (<a href="www.corkcicle.com">www.corkcicle.com</a>). The Company reserves the right to update or modify the MAPP retail prices at any time.
- 5. Activities Violating MAPP. The following actions shall be viewed as a violation of this MAPP:
  - a. Listing a price other than the MAPP retail price next to the featured MAPP product in any Advertisement;

- b. Selling or Advertising a bundle or package that includes other products (whether or not manufactured by the Company) at a price that violates this MAPP;
- c. Advertising any MAPP product as a bundle with, or sold as part of a package that includes, products not pre-approved by the Company; and
- d. Including in any Advertisement for a MAPP product any additional discount, coupon, gift card, or incentive (whether in the form of a special event, promotion, term of doing business or otherwise) that translates into an immediate price reduction, where the cumulative effect would be to reduce the advertised price of any MAPP product.
- 6. Suspension of MAPP Pricing. Company reserves the right but is not obligated to permit Retailers to Advertise MAPP products at prices lower than the MAPP retail price from time to time. In such event, the Company, in its sole and absolute discretion, may modify or suspend the MAPP retail price with respect to the affected products for a specified period of time by providing advance notice to all Retailers of such changes. The Company may revoke any such modification or suspension of MAPP retail pricing at any time, in Company's sole and absolute discretion.
- 7. MAPP Enforcement. This MAPP will be enforced by Company in its sole and absolute discretion and without notice. All Retailers must immediately remove or correct any Advertising that violates this MAPP. Failure to remove or correct any such Advertising, or comply with the terms of this MAPP, may result in Company's termination of its business relationship with such violating Retailer, or Company's cancellation of any pending orders, restriction of future orders, suspension of any Retailer's account with Company, or indefinite refusal to accept any new orders from any Retailer, as well as the exercise of any remedy available to Company at law or equity. A Retailer's failure to comply with this MAPP may result in all of that Retailer's outstanding Company invoices to become due immediately.
- 8. <u>Compliance Monitoring</u>. The Company itself or through a third party will monitor Retailers' compliance with this MAPP. Any questions regarding this MAPP should be directed to:

Corkcicle® Customer Service Telephone: 866-780-0007 Email: service@corkcicle.com

- 9. Rights of Company and Retailers. This MAPP is unilateral and the Company recognizes that any Retailer can make its own decision to advertise and sell Corkcicle® products at pricing chosen by the Retailer, without consulting or advising the Company. Similarly, the Company has the right to make its own independent decision at any time regarding Corkcicle® product allocations and Retailer participation as a member of the Company's wholesale retailer program.
- 10. Sales through Third Party Website. No Retailer is permitted to sell or offer to sell any Corkcicle® product on any third party e-commerce website or multi-vendor website, including without limitation, amazon.com, ebay.com, walmart.com, sears.com, and jet.com (collectively, "Third Party Website"), without the express, written approval of the Company. In the event a Retailer sells any Corkcicle® product on a Third Party Website, the Company may terminate its business relationship with the violating Retailer, cancel, restrict or refuse any of the Retailer's pending or future orders with Company, suspend Retailer's account with Company, or exercise any other remedy available to Company at law or equity.