

# REDEYE MINIMUM ADVERTISED PRICE POLICY STATEMENT

Effective April 1, 2010 ThinkFlood, Inc. is implementing a Minimum Advertised Price (MAP) Policy across its RedEye product line. MAP prices means the Minimum Advertised Price for specific RedEye products are set forth on ThinkFlood's current price lists, which may be amended from time to time.

## **Statement of Policy:**

Any "advertisement" at a price below MAP will result in ThinkFlood ceasing to do business with the dealer for the product(s) advertised. The effect of such action will be that any existing orders for the affected product(s) will not be filled and future orders for affected product will not be accepted. As a consequence, the dealer or distributor & the distributor's dealer will lose their authorized dealer, distributor, or distributor dealer status with respect to the product(s) as the case may be.

ThinkFlood will unilaterally administer this MAP policy. Dealers are expressly requested not to forward to ThinkFlood directly or indirectly, any information concerning alleged MAP violations by other dealers. Any such information that is forwarded to ThinkFlood will be disregarded by ThinkFlood.

## **Definition of Advertisement:**

The following definition of "advertisement" will be used by ThinkFlood in implementing the MAP policy: "Advertisement" means any communication to prospective customers that identifies one or more RedEye product(s) which can be viewed or heard by the prospective customer without the customer entering the dealer's retail storefront. "Advertisement" also includes, without limitation, all forms of print and electronic media, direct mail, and audio & video communications. All of the following communications are covered under the MAP Policy: All website-based communications, whether in form of posted prices, shopping cart prices, or any price that can be printed by the prospective customer; faxes of prices, emails of prices, instant messaging; text messaging or any other form of electronic communication.

ThinkFlood is not requiring dealers to advertise at or above MAP. ThinkFlood has determined on its own to implement a MAP Policy. Dealers remain free to advertise, and to sell, RedEye product(s) at whatever prices they believe are appropriate. ThinkFlood is advising dealers that there are certain consequences that will follow from advertising that violates their MAP Policy. The sanction for a MAP violation will be imposed unilaterally. Factory authorized promotions are exempt from MAP Policy.

## **Enforcement of MAP Policy:**

It is important that ThinkFlood's enforcement of MAP be consistent across all dealers. ThinkFlood has therefore centralized MAP enforcement at the corporate level, which will make it easier to provide consistent responses to MAP questions, and to enforce MAP on a consistent basis. ThinkFlood has also engaged the services of third party service to monitor MAP compliance and to initially inform dealers of advertisements that violate ThinkFlood's MAP Policy. For the above

reasons, dealers are asked not to discuss MAP issues with its Sales Representative or Regional Manager(s).

**Notice of Violation:**

The initial notice letter will inform the dealer that it has 10 days to provide ThinkFlood with any written information that it believes ThinkFlood should consider before sanction(s) are imposed. Absent of convincing written information from the dealer why the violation was beyond the control of the dealer or distributor, dealers and distributors should assume that the sanction for a MAP violation will be imposed automatically.

Tracking shipments: All shipments to dealers & distributors are tracked by shipment batch codes and information includes each unit's MAC address. ThinkFlood will be able to determine which dealer or distributor to which we have shipped RedEye product(s).

Distributors will be required to provide ThinkFlood signed Dealer Franchise Agreements for approval by ThinkFlood and inform its dealers of ThinkFlood's MAP Policy. Additionally, Distributors are not allowed to offer third party fulfillment.

Read on & Acknowledged by:

Dealer Name:

Distributor Name:

\_\_\_\_\_

\_\_\_\_\_

Owner, Partner or Officer

Owner, Partner or Officer

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Received & Recorded by ThinkFlood:

\_\_\_\_\_

Title

Date: \_\_\_\_\_