



2015 Minimum Advertised Price (MAP) Policy & Agreement

To Our Valued Distributors, Retailers and Resellers,

In order to maintain the integrity of the **Lafes Natural Bodycare** brand, we've established a **Minimum Advertised Price (MAP) Policy** for resellers of **Lafes Natural Bodycare** products. This policy has been established to protect and support all resellers, as well as consumers of **Lafes Natural Bodycare**. The intention is not to interfere with the businesses of our resellers, but rather to enable customers to have sustainable business practices by allowing for a reasonable profit margin.

Lafes Natural Bodycare Minimum Advertised Prices are calculated using the following formula:

MAP = 0.20 (20%) x suggested retail price

Effective January 21, 2016, we request that all new retailers read and agree to the following agreement:

- Resellers of a Lafes Natural Bodycare product may not advertise a price lower than the Minimum Advertised Price for that product.
- When the MAP formula yields an amount with fractions of a cent, the MAP is rounded down to the nearest whole cent.
- Prices below the MAP cannot be advertised in any medium, including print, internet, radio, television, etc.
- Temporary sales, discounts, and promotions that effectively lower the retail price of the product below MAP are impossible to enforce, and therefore acceptable (i.e. 10% discount on order totals exceeding \$200). However, these discounts must not be applied directly to the advertised price; the advertised price cannot be below the MAP.
- Permanent discounts and promotions that effectively lower the retail price below the MAP—for example, extraordinary discounts on shipping—are unacceptable. Aggregating the product price and shipping price to satisfy the MAP policy is also unacceptable. The Lafes Natural Bodycare MAP Policy applies the advertised price of a product before shipping, handling, or additional charges are levied.
- Lowering the price of an item below MAP for the purpose of a clearance or liquidation is acceptable; however, Lafes Natural Bodycare will record this in our system and this

reseller will never be supplied with that product again. If a pattern of this behavior is recognized, Lafes Natural Bodycare will be forced to take further action in accordance with our rights as a manufacturer. .

- Lafes Natural Bodycare requests that Distributors and other resellers distribute and post our MAP policy to assure compliance with their customers and any other business entities that they are supplying.
- Lafes Natural Bodycare reserves the right not to sell to any reseller found to be in violation of this policy and/or the wholesale terms and conditions. However, Lafes Natural Bodycare will not be held responsible for enforcement of this policy or lack thereof. Lafes Natural Bodycare will act accordingly when deemed necessary and when legal.

Lafe's Natural BodyCare

Attention: Fay Eakin

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MAP Enforcement Policy

When necessary and legal, Lafes Natural Bodycare may take the following steps to enforce its MAP policy:

- The first time Lafes Natural Bodycare find a reseller to be in violation of the MAP policy, Lafes Natural Bodycare will send a warning message to the reseller notifying them of the MAP policy violation(s). The reseller is required to remedy the situation by increasing all infringing prices to be at or above the MAP within one week (five business days) of the first warning message.
- If the reseller does not contact Lafes Natural Bodycare once prices are in compliance, or if the reseller is found to be in continued violation of the MAP policy in excess of one week (five business days) after the first warning message is sent, Lafes Natural Bodycare will immediately place the account on a six month shipping hold and all pending purchase orders/backorders will be cancelled.
- Lafes Natural Bodycare will continue to monitor online prices for the duration of the shipping hold. The reseller must remain in compliance with the MAP policy throughout this entire period in order to resume business at the end of six months.

Thank you.

Best Regards,

Lafe T Larson | CEO & Founder

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