



## Retail Minimum Advertised Price Policy (MAPP) Effective Date: August 1, 2015

Ener-C: SRP \$16.95 MAPP \$11.95

Pauling Labs recognizes that customer satisfaction begins before the sale and is dependent upon resellers' service and support efforts after the sale. To maintain our retailer's and distributors' commitment to quality, product support, and Ener-C's brand reputation, we have a MINIMUM ADVERTISED PRICE POLICY ("MAPP" or "MAP Policy"). Although each reseller remains free to establish its own advertising policy, Pauling Labs requires that any advertising of its Ener-C product or use of their trademarks meet certain minimum criteria. In the event that a reseller, retailer, Etailer or any party which "resells") advertises a Ener-C product or uses a Ener-C trademark contrary to this MAPP, Ener-C will take one or more actions (see enforcement table below).

It shall apply to all forms of advertising, including but not limited to print advertising (such as magazines and newsprint), electronic media (such as radio and television) and the internet (such as a retailer's web site or any other web sites through which the retailer operates or advertises). Sales representatives are NOT permitted to discuss this policy or make any agreements or assurances with respect to this policy.

Whenever a MAP is established by Pauling Labs, products must be advertised at MAP prices or higher. Any advertised price quotations, express, implied, direct or indirect, below the MAP violates this policy. Some examples of other prohibited activities that violate this policy include, but are not limited to:

- a) The use of words, phrases, or symbols that indicate "special pricing" such as "call for price," "E-Mail for," or "lower pricing."
- b) "On-line" indications of different pricing such as underlining, "click for," "click to," or links to price quotations at all levels above (or prior to) a shopping cart. This shall include listing products without prices to aid the sale of an item below MAP.
- c) Combination, bundling or package "deals" that are not part of Pauling Labs' pricing program if the result of such combination is to imply, suggest, or, in fact, create an advertised price reflecting Ener-C products at a price below MAP.
- d) A distributor offering Pauling products to any reseller that is violating MAP or illegally using Pauling Labs' trademarks (see below). Used/short dated/demo Items that are sold as "used," as "short dated," or as "demo" products are not subject to MAPP only when such items are 1) clearly marked "USED," "SHORT DATED," or "DEMO," and 2) clearly specified as being in limited supply.





Retailers and distributors may be given a promotional allowance period, pending the approval of their account manager. When a promotional MAP is approved, the retailer or distributor may indicate "Promotion," "Promotional Price," or "Limited Time Promotion" during the promotional period which may last no longer than 30 days in any 4 month period. Advanced request of these promotions is required to be sent at least seven business days prior to the promotion, to your account manager and sarah@paulinglabs.com. Pauling Labs account managers may approve or deny these requests at their discretion.

Violations will be monitored and will result in the following graduated response levels:

- 1. Notice of violations
- 2. Account suspension and removal from our website and participation in retailer events/promotions/co-op/sales, and if necessary,
- 3. Termination of the account as indicated in the following table: MAP Violation Policy Retailer

In all cases the retailer will receive an initial violation warning. Violation(s) must be corrected within 3 business days. The below table lays out the actions Pauling Labs must take in order to protect all retailers and customers.

1 <sup>st</sup> Violation	Failure to correct within 3 business days shall result in account suspension for 30 business days
2 <sup>nd</sup> Violation	Failure to correct within 3 business days shall result in account suspension for 90 business days.
3 <sup>rd</sup> Violation	Failure to correct within 3 business days shall result in account termination.

## **Reporting of Violations**

The sale of any Ener-C product in violation of this MAPP, the unauthorized use of Pauling Labs' trademarks (see below), or other unauthorized 3rd party attempts to circumvent this MAPP should be reported by email to <a href="mailto:sarah@paulinglabs.com">sarah@paulinglabs.com</a>. Pauling Lab's owns the trademarks and copyrights for its products and has registered them with the US Patent and Trademark Office, International Trademark Offices, and with the US Customs officials. These agencies enforce all available legal restrictions against unauthorized imports. US Customs regulations prohibit the unauthorized import of products with US Trademarks. This policy shall be applied and enforced uniformly without exception. Pauling Labs does not seek, nor will it accept, any formal or informal agreement with regard to pricing.

Trademarks: Ener-C™, Ener-C Sport™.

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If you have any questions or comments please contact Richard Pollock, President Pauling Labs: richard@paulinglabs.com.