



PREPAK PRODUCTS, INC.
MINIMUM ADVERTISED PRICE POLICY
Effective May1, 2020

PrePak Products, Inc. (“PrePak”), a leading manufacturer of premium-quality physical rehabilitation exercise devices, tools and therapy massage cream under the PrePak®, Exerband™, Free-Up®, Home Ranger®, and Web Slide® brands, is committed to promoting the value of our products and helping people to regain lost functionality so that they perform better. A critical component to that success is providing the highest quality information and service.

PrePak has determined that certain advertising practices undermine PrePak’s trade reputation, brands, and premium image within the target consumer population and discourage PrePak’s resellers from investing time and resources to deliver an extraordinary customer experience through knowledgeable staff and company vendor presentation.

Accordingly, to protect the integrity of the PrePak, Exerband, Free-Up, Home Ranger, and Web Slide brands and the investments of our high-quality resellers, PrePak has adopted this unilateral Minimum Advertised Price Policy (the “Policy”), which applies to all authorized resellers of PrePak products in the United States of America. PrePak is confident this Policy will strengthen its product offering and benefit all of its authorized resellers, and ultimately, the end-user consumers.

The Policy applies to advertisements of the PrePak products listed on the then-current PrePak MAP List (“MAP Products”). The PrePak MAP List will be made available to all resellers and may be amended by PrePak in its sole discretion at any time.

PrePak is solely responsible for establishing the minimum advertised price (“MAP”) for each MAP Product and communicating the MAP to all resellers. While resellers remain free to advertise and sell all PrePak products at any price they deem appropriate, it is a violation of this Policy for a reseller to advertise any MAP Product at a price lower than the MAP. Such advertisements include, but are not limited to:

- i. Offering coupons, discounts, reseller rebates, or other inducements that, when applied, result in a price lower than the MAP, including through use of a storewide sale, promotional code, or other similar provision that can be applied to MAP Products.
- ii. Bundling MAP Products with other products or services (whether made by or provided by PrePak or another entity) in a manner that implies below-MAP pricing for the bundled MAP Product.
- iii. Strikeouts or strikethroughs of pricing information, “see price in cart,” or other statements that suggest that a lower price for a MAP Product may be found at the final online checkout stage.
- iv. Permitting any third party to alter the advertised price for any MAP Product.

Direct or indirect attempts to circumvent this Policy also violate this Policy; however, it is not a violation to advertise that a customer may “call for price,” “text for price,” or “email for price” as long as no price is listed and no automated call, text message, or “bounce-back” email is used in response.

For purposes of this Policy, the terms “advertise” and “advertisement” include all promotional or pricing information displayed via any type of media, including, but not limited to, newspapers, catalogs, magazines, flyers, brochures, television, radio ads, billboards, signage (except signs displayed within a brick-and-mortar selling location), websites, blogs, social media, affiliate marketing networks/comparison shopping engines, mobile/smart phone applications, banner ads, online product ads, paid search ads, pay-per-click ads, display ads, mobile ads, product listing ads, sponsored links, ads in any other media in a digital format that is communicated or conveyed via the Internet, and any other marketing or promotional materials, whether displayed online or through broadcast or other media.

Notwithstanding the foregoing, pricing information displayed at the final online checkout stage of a transaction is not considered “advertising” under this Policy. The “final online checkout stage” is the stage when the MAP Product is put into a shopping cart that contains the customer’s name, shipping address, email address, and payment information. Pricing information in the “shopping cart” or “checkout” stages must be obscured technically so that it is not retrievable by shopping and pricing engines, and not displayed on search page results within the reseller’s own website.

Moreover, pricing information displayed to a healthcare professional customer or prospective healthcare professional customer only after the customer or prospective customer has created an account with the reseller and logged-in to such account is not within the scope of this Policy and shall not constitute an “advertisement” under this Policy.

From time to time, PrePak may announce MAP holidays or promotions that are applicable to all resellers, during which periods a reseller that advertises a MAP Product in accordance with the terms of the authorized promotion will not be deemed to have violated the Policy. PrePak will notify all resellers of any such authorized promotions, generally not fewer than 30 days in advance.

Further, the advertisement of free or reduced-price shipping is not a violation of this Policy.

This Policy does not constitute an agreement between PrePak and any other entity. PrePak neither solicits nor will it accept any assurance of compliance with this Policy from any reseller or other party. Each reseller must independently choose whether to comply with the terms of this Policy. This Policy is not negotiable and will not be altered for any individual reseller. This Policy applies only to advertised prices and does not affect the prices that a reseller may charge for PrePak Products.

NON-COMPLIANCE

PrePak will take the following actions against any reseller that fails to comply with this Policy with respect to the advertisement of any MAP Product:

- i. For a reseller's first violation of the Policy, PrePak will notify the reseller in writing of such failure and issue the reseller a written warning of such violation.
- ii. For a reseller's second violation of the Policy, PrePak will notify the reseller in writing of such failure and will immediately place the reseller's account on shipping hold for thirty (30) days. PrePak will revoke its acceptance of any pending orders, cancel any pending shipments to the reseller, and not accept any new orders from reseller during this 30-day period.
- iii. For a reseller's third violation of the Policy, PrePak will notify the reseller in writing of such failure and will immediately place the reseller's account on shipping hold for ninety (90) days. PrePak will revoke its acceptance of any pending orders, cancel any pending shipments to the reseller, and not accept any new orders from reseller during this 90-day period.
- iv. For a reseller's fourth violation of the Policy, PrePak will terminate its business relationship with the reseller. PrePak will revoke its acceptance of any pending orders and cancel any pending shipments to the reseller and place the reseller on PrePak's "Do Not Sell List."

The Policy will be enforced by PrePak in its sole discretion and without notice. Resellers have no right to enforce the Policy.

POLICY ADMINISTRATION

PrePak may update, revise, suspend, terminate, reinstitute, or modify this Policy at any time in its sole discretion. PrePak shall make any such modifications available to all authorized resellers. If PrePak changes the MAP on any MAP Product, it will provide at least ninety (90) days' notice to resellers before such change takes effect.

No PrePak employee or agent, including a reseller's sales representative or a customer service representative, is authorized to accept assurances of compliance with, modify, interpret, or grant exceptions to this Policy; solicit or obtain the agreement of any person to this Policy; or otherwise discuss any aspect of this Policy with any reseller, including that reseller's or any other reseller's compliance with the terms of the Policy. Any questions about this Policy should be submitted in writing and directed to PrePak's MAP Policy Administrator at policycompliance@prepakproducts.com. PrePak will accept no other form of communication from resellers regarding the Policy.

This Policy is effective May 1, 2020 and supersedes all prior PrePak policies and/or representations regarding minimum advertised prices or resale prices for PrePak Products applicable to any reseller. To the extent that any provision, term, or agreement governing the relationship between PrePak and any reseller may be construed in a manner that is inconsistent with the terms of this Policy, the terms of this Policy control.