



## **Minimum Advertised Price Policy for EXO2 *The Heat Inside* and All Subsidiaries**

To: All EXO2 The Heat Inside Distributors, Dealers and Representatives

From: Drew Walston, President and CEO

Date: January 01, 2011

EXO2 *The Heat Inside* (the 'COMPANY') has established Retail and Dealer pricing for all products developed, manufactured and distributed by or on behalf of the COMPANY to protect the value of the brand and to ensure equitable trade in the marketplace. The COMPANY wants to further ensure that adequate profit margins exist for all authorized Distributors, Dealers and Representatives ('AUTHORIZED ENTITIES').

The following guidance is provided to clarify the COMPANY'S expectations and the obligations for all AUTHORIZED ENTITIES who choose to market, carry, distribute or otherwise sell the COMPANY'S brand of heated products and accessories.

The COMPANY will set and distribute annually the Manufacturer Suggested Retail Pricing ("MSRP") for all active products in its range of goods. This MSRP is the MINIMUM PRICE ALLOWABLE in an AUTHORIZED ENTITY'S advertising. "Advertising" includes, but is not limited to; Print Ads, Internet Ads (including banners, Pop-Ups, etc.), eBay, chat rooms and forums, flyers, and other types of media intended to persuade a consumer to buy the COMPANY'S products from an AUTHORIZED ENTITY. Advertising strategies to lure a consumer into a private discussion about the price of the COMPANY'S products is not authorized (e.g., "Call for Pricing").

To ensure that advertisements do not infringe upon the COMPANY'S minimum advertised price policy ("MAP Policy"), AUTHORIZED ENTITIES may submit proposed marketing campaigns to the COMPANY in advance for approval. A response to all submitted campaigns will be provided within 72 hours of acknowledgement by the COMPANY that the campaign has been received for review.

Should a violation of the MAP Policy occur, the following will ensue to remedy the violation.

- The AUTHORIZED ENTITY will be contacted by the COMPANY via regular mail, email, fax, telephone or website communication to be advised of the perceived violation ('NOTICE'). All affected parties relating to the AUTHORIZED ENTITY (dealer, distributor, etc.) will be provided a NOTICE.
- The AUTHORIZED ENTITY will be given 30 days for printed advertisements and 72 hours for electronic advertisements to correct all provisions that do not strictly comply with the MAP Policy.
- Failure to comply within these timelines or immediately upon a second violation within a 12 month timeframe, the AUTHORIZED ENTITY will be assigned a "NO-SHIP" status for all Company products affected by the MAP Policy violation. The AUTHORIZED ENTITY will be able to once again receive the affected products upon successful remedy of the violation and written confirmation from the AUTHORIZED ENTITY'S business leader that processes have been put into place to prevent further infractions.



- Additional violations of the MAP Policy will result in the AUTHORIZED ENTITY being assigned a NO-SHIP status indefinitely with regard to all products affected by the violation of the MAP Policy. In this case, COMPANY also reserves the right to assign the NO-SHIP approach to other COMPANY products.

AUTHORIZED ENTITIES are free to reproduce the 'EXO2', 'EXO2 *The Heat Inside*' and 'FabRoc™' trademarks and logos as long as they are in compliance with the MAP Policy. All such reproductions must be the exact likeness of trademarks produced on official COMPANY correspondence.

Any violations of the MAP Policy should be reported to EXO2 *The Heat Inside*'s Legal Department ([legal@exo2.com](mailto:legal@exo2.com)). Any questions pertaining to the policy should be directed to EXO2 *The Heat Inside* at [info@exo2.com](mailto:info@exo2.com) or 877-exo2-HEAT (877-396-2432).

Strong and beneficial relationships which are built upon a foundation of trust and integrity are very important to our team at EXO2 *The Heat Inside*. We are therefore grateful for all who have placed their trust in our products and company. We look forward to our helping each other to grow and benefit from a strong, profitable brand of cutting edge heat technology and smart product designs.

Sincerely,  
Drew Walston  
President and CEO  
770-842-1483