

## MINIMUM ADVERTISED PRICE (MAP) POLICY FOR THE UNITED STATES AND CANADA

### GENERAL

WOW Tech USA Ltd., WOW Tech Canada Ltd. and their affiliated companies (collectively “WT”), as an independent business, choose to protect their reputation by adopting this MAP Policy. The MAP Policy applies to the products listed at <https://wowtech.com/map-policy-and-guidelines/> of the brands We-Vibe, Womanizer, Arcwave and pjur (the “MAP Products”) and to all authorized distributors, retailers, and consultant companies (jointly “Authorized Sellers”) who advertise MAP Products for sale in the United States and/or Canada.

WT respects the independence of its Authorized Sellers, who are free to establish their own selling prices for WT Products. The MAP Policy, therefore, applies only to minimum advertised prices and does not apply to the price at which the MAP Products are actually sold.

### MINIMUM ADVERTISED PRICE & MAP POLICY VIOLATION

The “MAP Price” for each MAP Product is defined at <https://wowtech.com/map-policy-and-guidelines/>.

Each Authorized Seller must not advertise a MAP Product at a price below its MAP Price or in any other way that suggests a lower price. This MAP Policy applies to all advertising, regardless of the medium or media used, including without limitation flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, mail order catalogs, public signage, television, radio, retailer websites, display ads, Google Ads, and Internet search engines (including use of keywords) or similar electronic media.

A MAP Policy violation includes, but is not limited to

1. Statements or other indications that imply that a lower price may be found at the online checkout stage, such as “see price in cart”, “prices too low to mention”, “our manufacturer won’t let us tell you the price”, “never lost a sale due to price”, “special price at check out”, “click for price”, “mouse over for price”, “move to cart for price”, or similar language.
2. A price strike-through or an advertised price more than 20% above the MAP Price (MSRP). Example: A product is advertised at the MSRP of \$199 but with a strike-through price of \$249.
3. Use of keywords associated with discounting (e.g., “discount,” “cheap,” or “price”).
4. Advertisements that suggest a discount on a MAP Product by showing its image or referring to it (e.g. image of a MAP Product titled “20% off all Couples Products”).

### PERMISSIBLE ADVERTISEMENT

The following shall NOT constitute a MAP Policy violation:

1. Storewide/sitewide advertisement provided that the advertisement prominently and expressly excludes MAP Products by way of a statement on the advertisement or with a reference to the exclusions stated elsewhere at a place easily accessible to the consumer. The exclusion statement must have a font size of at least 50% of font size of the main promotional message (i.e. the message that defines the promoted products and the discount), be clearly legible and immediately adjacent to, or immediately follow, the main promotional message. Example for the exclusion statement: “Promotion excludes Womanizer Pleasure Air Toys and We-Vibe Couple Toys.”

2. Any in-store advertising that is displayed only in the brick-and-mortar store and not distributed to any customer.
3. In-store displays, point-of-sale signs, hangtags or bar codes or similar marks on products or product packaging, which state the price.
4. The actual sales price on any “check-out page” of any Authorized Representative’s website or related internet site (typically the page at which the end user finally purchases the product). This exception to the MAP Policy does not apply to any other page(s) on the Authorized Representative’s website.

Furthermore, the MAP Policy does not apply to the following, provided that the offered price is not more than 20% below the MAP Price of a MAP Product:

- a. In-person events & sponsorships.
- b. Paid social influencer/newsletter/Eblast placements where a discount is integrated into broader content promoting the brand limited to a period of seven (7) days.
- c. Email to existing customers/subscribers.
- d. Closed membership groups (such as employees, students, military) where gated entry is required to make a purchase.

## **PROMOTION PERIODS**

From time to time, WT may, at its sole discretion, permit Authorized Sellers to advertise MAP Products at prices lower than the MAP Price for a certain period.

## **CONSEQUENCES IN CASE OF MAP POLICY VIOLATION**

The consequences for an Authorized Seller that violates the MAP Policy include, but are not limited to:

1. First incident: Authorized Seller will be notified that they are in violation of this MAP Policy and will be required to cease the violation. If Authorized Seller does so immediately, no further action is required.
2. Second incident or continuous incident: Authorized Seller will be listed on a “Do Not Sell” list for thirty (30) days and will not be supplied with WT products during that time.
3. Third incident or continuous incident: Authorized Seller will be listed on a “Do Not Sell” list for sixty (60) days and will not be supplied with WT products during that time.
4. Fourth incident or continuous incident: Authorized Seller will be listed on a “Do Not Sell” list indefinitely and will not be supplied with WT Products. WT reserves the right to accelerate or enhance any consequences as WT in its sole judgment determines appropriate (including the right to suspend or cancel pending purchase orders).

## **MAP POLICY MODIFICATIONS**

WT reserves the right at any time to modify the list of MAP Products and to modify, suspend, or discontinue the MAP Policy, in whole or in part, or designate promotional periods during which the terms of the MAP Policy change or designate periods of time during which the MAP Policy is not applicable. Authorized Sellers are responsible for remaining current with the MAP Policy <https://wowtech.com/map-policy-and-guidelines/>.