

STORK CRAFT MANUFACTURING INC. AND  
STORK CRAFT MANUFACTURING (USA) INC.

UNILATERAL MINIMUM ADVERTISED PRICING POLICY

Effective as of December 21, 2017

1. Introduction

Stork Craft Manufacturing Inc. and Stork Craft Manufacturing (USA) Inc. (together, “Stork Craft”) recognize that their success is tied to the success of their network of select authorized resellers in the United States. Stork Craft gives its resellers the ability to promote and sell in retail stores and through the Internet Stork Craft-branded products and products sold under Stork Craft’s affiliated and licensed brands, including Status, Graco, and Thomasville. Stork Craft has spent an extensive amount of time and money building brands of strong recognition and high perceived value. By consistently reducing advertised prices, a reseller can have a dramatic effect of diminishing or detracting from the perceived value of the Stork Craft brands and products, to the detriment of Stork Craft, its affiliates and partners, and resellers. Accordingly, effective as of December 21, 2017, all resellers of Stork Craft-branded products, as well as products sold by Stork Craft under its affiliated and licensed brands, in the United States must adhere to the following Minimum Advertised Pricing Policy (the “MAP Policy”).

Stork Craft has prepared and is implementing the MAP Policy unilaterally and on the basis of its independent decision making. Stork Craft will not invite, consider, or accept any input regarding how the policy is implemented, administered, maintained, or enforced. The MAP Policy is not an agreement, and Stork Craft does not ask for or accept any assurance of compliance or other agreement from any reseller. The MAP Policy is intended to help promote the Stork Craft brand and Stork Craft’s affiliated and licensed brands, and to give all resellers a fair ability to sell and promote the Stork Craft products. Stork Craft, in its sole discretion, reserves the right to modify or suspend the MAP Policy at any time.

2. General Guidelines Under The MAP Policy

The products covered by the MAP Policy (the “MAP Products”) and the minimum advertising prices for each of the MAP Products (the “MAP Prices”) are set forth in **Appendix A**. Stork Craft may, in its sole discretion, modify Appendix A periodically. Such changes will apply equally to all resellers, and Stork Craft will endeavor to provide advance notice of any changes when made from time to time. Further, to ensure prompt notice to resellers, Stork Craft will publish the MAP Policy and Appendix A, as well as any modifications thereto, at <https://storkcraftdirect.com/product-support-faqs/>

Stork Craft recognizes that resellers are free to make their own decisions to advertise and sell the MAP Products at any price they choose, without consulting, advising, or seeking approval from Stork Craft. Similarly, Stork Craft will exercise its right to make its own decisions regarding

the any authorized advertising program, supplemental marketing materials (if any), point-of-purchase displays, product allocation, new product availability, or future promotional, joint marketing, or sponsorship programs.

The MAP Policy applies to advertised prices only. The MAP Policy does not, and is not intended to, apply to the price at which MAP Products are actually sold or offered for sale to an individual in-store, over the telephone, or on the Internet.

### **3. MAP Policy Advertising Guidelines**

The MAP Policy applies to all advertisements of MAP Products in any and all media, including but not limited to flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, television, radio, public signage, Internet sites, social media sites, text messages, apps, or any other electronic media. The MAP Policy does not apply to solely on-premises or in-store advertising that is not distributed to customers. Website features such as “click for price,” automated “bounce-back” pricing e-mails, pre-formatted email responses, and other similar features are considered to be communications initiated by the resellers (rather than by the customer) and thereby constitute “advertising” under the MAP Policy. The MAP Policy also applies to any activity that Stork Craft determines, in its sole discretion, is designed or intended to circumvent the intent of the MAP Policy.

It is not a violation of the MAP Policy to advertise that a customer may “call for price” or “email for price,” or to use similar language, specifically with respect to MAP Products, so long as no price is advertised in violation of the MAP Policy. It is not a violation of the MAP Policy to advertise, in general terms, that the reseller has “the lowest prices” or will match or beat its competitors’ prices, or to use similar phrases; so long as the reseller does not include any advertised price for any MAP Product in violation of the MAP Prices, and the reseller otherwise complies with the MAP Policy.

From time to time, Stork Craft may permit, in its sole discretion, resellers to advertise MAP Products at prices lower than the MAP Prices. In such events, Stork Craft reserves the right to modify or suspend the MAP Prices with respect to the affected MAP Products for a specified period of time by providing advance notice to all resellers of such changes.

Stork Craft may offer a direct manufacturer’s rebate to customers. In such events, it is not a violation of the MAP Policy to advertise the availability of the manufacturer's rebate, provided that:

- i. the advertisement includes an advertised price that is compliant with the MAP Policy, the rebate amount, and the net price after manufacturer's rebate in the same type size and style;
- ii. an asterisk is placed next to the net price after manufacturer's rebate; and
- iii. “\*after manufacturer's rebate” appears in the same area of the advertisement as the advertised product.

#### 4. Enforcement Of The MAP Policy

Stork Craft hereby adopts the following guidelines for enforcing violations of the MAP Policy:

- i. the first violation of the MAP Policy will result in a warning to the reseller;
- ii. the second violation of the MAP Policy will result in restrictions on that reseller's ability to sell the product at issue, including cancelling any pending orders and limiting future orders of that product; and
- iii. the third violation of the MAP Policy will result in the suspension of that reseller's ability to sell all Stork Craft branded, affiliated, and licensed products.

Stork Craft will take enforcement action when it reasonably believes that a reseller has violated the provisions of the MAP Policy or intends to violate the MAP Policy. If a reseller with multiple store locations violates the MAP Policy at any one store location, or on any associated website, then Stork Craft will consider this to be a violation by the reseller. Stork Craft may modify these enforcement guidelines in its sole discretion and without prior notice.

Stork Craft will designate specific personnel to administer the MAP Policy (the "MAP Policy Administrator"). The MAP Policy Administrator is solely responsible for determining whether a violation of the MAP Policy has occurred, as well as determining the appropriate remedy for any such violation. Waivers to the MAP Policy may be granted in Stork Craft's sole discretion only by the MAP Policy Administrator in writing. No sales representative or employee of Stork Craft, other than the MAP Policy Administrator, has any authority to discuss, modify, or grant exceptions to the MAP policy. In the event that the MAP Policy Administrator authorizes a waiver to the MAP Policy, resellers must strictly adhere to the terms of the waiver letter. Deviation from the terms of a waiver letter is a violation of the MAP Policy. Stork Craft may change the identity of the MAP Policy Administrator in its sole discretion and without prior notice.

Stork Craft monitors the advertised prices of dealers through third-party providers. Resellers are expected to provide reasonable cooperation in any Stork Craft investigation regarding possible MAP Policy violations. Hindering, obstructing, delaying, or otherwise failing to cooperate with a MAP Policy investigation is a violation of the MAP Policy.

The MAP Policy will be enforced by Stork Craft in its sole discretion and without notice. Dealers, distributors, and resellers have no right to enforce the MAP Policy. Violations of the MAP Policy may result in any of the aforementioned sanctions up to and including termination of the business relationship.

All questions related to the MAP Policy should be directed to the MAP Policy Administrator at [accounts@storkcraft.com](mailto:accounts@storkcraft.com).