

## **Liquid OTC, LLC - US Minimum Advertised Price Policy**

### **1. Introduction**

Liquid OTC, LLC (“LOL”) is transforming the way consumers enjoy candy and protect their smiles.

We recognize that our success is tied to the success of our network of select authorized dealers. We also know that many of our dealers invest significant time and resources to deliver an extraordinary customer experience. We want to protect their ability to do so, while at the same time discouraging price-based advertising that would be detrimental to our dealer's service and support efforts. As a result, LOL has unilaterally established this Minimum Advertised Price (“MAP”) Policy.

### **2. Policy Statement**

LOL, in its sole discretion, reserves the right to discontinue doing business with any reseller that advertises any product(s) covered by this MAP Policy at a price lower than the MAP. For the Canada MAP policy guidelines and pricing please refer to the Canada MAP policy.

### **3. General Guidelines**

1. The products covered by this policy are listed in Section 7, (“MAP Products”). LOL may in its sole discretion modify this list from time to time.
2. LOL recognizes that dealers are free to make their own decisions to advertise and sell any LOL product at any price they choose, without consulting or advising LOL. Similarly, LOL will exercise its right to make its own decisions regarding the LOL Authorized Reseller Program (“ARP”), supplemental marketing materials, point-of-purchase displays, product allocation, new product availability, or future promotional, joint marketing, or sponsorship programs.
3. The MAP Policy applies to advertised prices, not the price at which MAP Products are actually sold or offered for sale to an individual in-store or over the telephone.
4. LOL Believes in maintaining a well-regulated and fair marketplace for all its authorized resellers.

### **4. Advertising Guidelines**

1. 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, and public signage, as well as Internet sites, digital exchanges, social media sites, apps, or any other electronic media.
2. The MAP Policy does not apply to solely on premise or in-store advertising that is not distributed to customers.

3. Website features such as “click for price”, automated “bounce-back” pricing e-mails, pre-formatted e-mail responses, forms, and automatic price display for any items prior to being placed in a customer’s shopping cart, and other similar features are considered to be communications initiated by the dealer (rather than by the customer) and thereby constitute “advertising” under this MAP Policy.
4. It shall not be a violation of this MAP Policy to advertise that a customer may “call for price” or “email for price”, or to use similar language, specifically with respect to LOL Products, so long as no price is listed.
5. This MAP Policy also applies to any activity which LOL determines, in its sole discretion, is designed or intended to circumvent the intent of this MAP Policy, such as solicitations for ‘group purchases”, “loyalty schemes”, “member pricing” and the like.
6. It shall not be a violation of this MAP Policy to advertise in general 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 below MAP and otherwise complies with this MAP Policy.
7. From time to time, LOL may permit resellers to advertise MAP Products at prices lower than the MAP retail price. In such events, LOL reserves the right to modify or suspend the MAP retail price with respect to the affected products for a specified period of time by providing advance notice to all resellers of such changes.
8. From time to time LOL may offer a direct manufacturer’s rebate to customers. In such events, it shall not be a violation of this MAP Policy to advertise the availability of the manufacturer's rebate, provided that:
  - o i. the advertisement includes a MAP-compliant price, the rebate amount, and the net price after manufacturer's rebate in the same type size and style;
  - o ii. an asterisk is placed next to the net price after manufacturer's rebate; and
  - o iii. “\*after manufacturer's rebate” appears in the same area of the advertisement as the advertised product.

## **5. Bundling Guidelines**

1. “Bundling” or advertising LOL products for sale together with other products will violate this MAP Policy when:
  - o i. the effective or stated price of the bundle represents a discount of greater than 1% of the MAP; or
  - o ii. the product(s) bundled with MAP Products violate LOL's Intellectual Property rights; or
  - o iii. the product(s) bundled with MAP Products violate the LOL Trademark and Brand Policy; or

- iv. the product(s) bundled with MAP Products include words, packaging, graphics, or other indicia which may create customer confusion as to the source of the product(s); or
  - v. the effective or stated discount is greater than 1% of the highest priced item in the bundle.
- 2. Gift cards, coupons, points, or other incentives which are contingent on the purchase of a MAP Product will violate this MAP Policy when:
  - i. the effective or stated price of the bundle represents an immediate discount of greater than 1% of the MAP; or
  - ii. the effective or stated price of the bundle represents a discount of greater than 1% of the MAP after taking into consideration any contingent future purchase.
- 3. Rebate programs from LOL, whether on MAP Products or LOL's partners' products are exempt from this policy.

## **6. Policy Enforcement**

1. If a dealer with multiple store locations violates this MAP Policy at any one store location, or on any associated website, then LOL will consider this to be a violation by the dealer.
2. LOL reserves the right to cancel any pending orders, restrict future orders, or suspend dealers' account if LOL reasonably believes:
  - i. a dealer has violated the provisions of this policy; or
  - ii. a dealer intends to violate this policy.
3. LOL's MAP Policy Administrator is solely responsible for determining whether a violation of the MAP Policy as occurred, as well as determining appropriate sanctions.
4. Waivers to this MAP Policy may be granted in LOL's sole discretion by the MAP Policy Administrator in writing. LOL Sales, Marketing, or other personnel are not authorized to modify or grant exceptions to the MAP Policy. In the event that the MAP Policy Administrator authorizes a waiver to the MAP Policy, dealers 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.
5. LOL monitors the advertised prices of dealers, either directly or via the use of 3rd party agencies or tools. Dealers are expected to provide reasonable cooperation in any LOL investigations regarding possible MAP Policy violations. Hindering, obstructing, delaying, or otherwise failing to cooperate with a LOL MAP Policy investigation is a violation of this MAP Policy.

6. The MAP Policy will be enforced by LOL in its sole discretion and without notice. Dealers, distributors, resellers, have no right to enforce the MAP Policy. Violations of this policy may result in any of the aforementioned sanctions up to and including termination of our business relationship, as well as any available remedies at law. All questions related to this MAP Policy should be directed to: [support@zollipops.com](mailto:support@zollipops.com)
7. MAP Products PRICE LIST is attached, or available upon request at [support@zollipops.com](mailto:support@zollipops.com) . PRICELIST is set by LOL in its sole discretion and may be changed at any time with or without notice.

PRICE LIST Effective March 1, 2021

Effective March 2, 2021