



PullRite Unilateral MINIMUM ADVERTISED PRICE Policy

Effective **May 1st, 2019**

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Due to the technical nature and inherent safety issues associated with our products, it is often necessary for our distributors and dealers to commit significant time and resources toward learning and supporting our product lines. In addition, we recognize there are significant costs associated with the developing, protecting, advertising, and branding of our products as well as educating our consumers about how to properly utilize and operate said products safely. As such, we offer our products with the value structure we believe fosters the profitability necessary to maintain a dedicated quality distributor and dealer network with sufficient technical resources and facilities to support our products and provide our customers with a consistent experience of quality customer service and support; therefore, we are introducing this Minimum Advertised Price (MAP) policy with the purpose of supporting our mutually beneficial value structure.

What is MAP Pricing and whom does it pertain to:

MAP is an acronym for Minimum Advertised Price. In a nutshell, a MAP policy is intended to prevent the devaluation of PullRite products. This policy is specifically targeted to those businesses that advertise via the internet and rely upon our distributors to drop ship our products at very low prices. **To be clear, this policy allows for the sale of our products at any price;** however, for those products specifically listed on PullRite's MAP price sheet, Resellers of PullRite that:

1. Do not have installation facilities capable of installing and servicing all PullRite items; and,
2. Rely upon our Wholesale Distribution partners to regularly drop ship PullRite Hitches

May not advertise beneath the published minimum advertised price point. These companies will also need to register as an "ecommerce PullRite Dealer", on the company website; www.pullrite.com/ecommercedealerreg. PullRite will provide the Wholesale Distributor's with a list of authorized "Ecommerce" dealers on a regular basis and instruct them that only registered ecommerce resellers will be allowed to place dropship orders.

MAP Goals:

- To avoid depreciation of, or damage to, the trademarks, brands or reputation of PullRite.
- To avoid damage to the consumer perception of PullRite products.
- Allow profit margins consistent with those necessary to encourage interest in the sale and promotion of our products.
- Prevent those who have not invested heavily in the training, education, sales and inventory of PullRite products from damaging the PullRite brand or benefitting from the hard work and capital investment of those who have made the investment.

Advertised pricing below PullRite's MAP can have far-reaching, adverse results on consumer perception and, in turn, impede our ability to compete within our market base. As a result of MAP non-compliance, some may shy away from the investment, space and resources necessary to support PullRite products. In turn, consumer confidence will also suffer either as a result of incomplete product selection, mixed product messages or poor customer service, which may result in the incorrect perception that PullRite products are less exciting, lower quality, less effective, less innovative, entry-level, and cheaply built. For these reasons, we have unilaterally adopted the following MAP policy regarding all advertising in and outside the United States for PullRite products. 13790 East Jefferson Blvd., Mishawaka, IN 46545 USA (800) 443-2307 FAX (574) 258-0289
www.pullrite.com

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1. **ACTIONS: PullRite's** MAP price sheet sets forth the Minimum Advertised Price for specific PullRite products. After February 1, 2019, if it is determined a retailer or distributor directly or indirectly advertises to retail customers the specified products at prices below those listed, PullRite may take the following actions:

(a) For the first occurrence, PullRite may provide the Dealer & Distributor with written notice of violation. Notice will allow 72 hours to comply with MAP. If compliance is not preformed PullRite will inform Retailer & Distributor's, (all Distributors that sell the item that is out of MAP compliance), to cancel all Retailer orders on the Item in question for 30 days and withdraw any benefits and rights to offer, sell, display or promote the product(s) that are the subject of this violation for a period of 30 Days.

(b) For the second occurrence, PullRite may provide the Retailer & Distributor with written notice of violation. Notice will allow 72 hours to comply with MAP. If compliance is not preformed PullRite will inform Retailer & Distributor's, (all Distributors that sell the item that is out of MAP compliance), to cancel all Retailer orders on the Item in question for 90 days and withdraw any benefits and rights to offer, sell, display or promote the product(s) that are the subject of this violation for a period of 90 Days.

(c) For the third occurrence, PullRite may provide the Retailer & Distributor with written notice of violation. Notice will allow 72 hours to comply with MAP. If compliance is not preformed PullRite will inform Dealer & Distributor's, (all Distributors that sell the item that is out of MAP compliance), to cancel all Retailer orders on the Item in question for 1 Year and withdraw any benefits and rights to offer, sell, display or promote the product(s) that are the subject of this violation for a period of 1 year.

(d) Repeated failure to abide by this policy will result in a unilateral and indefinite withdrawal of benefits and rights to be a retailer or distributor of any PullRite products.

2. "Advertising" or "advertise" as used in this Policy refers to all printed, e-commerce and electronic media such as newspapers, magazines, direct mail catalogs, flyers, radio, television, Internet, e-tailing, e-mail or similar mass media. "Advertising" MAP policy does not apply to literal and physical in-store pricing or advertising.

3. Advertising shall be considered inconsistent with this policy if it can reasonably be read to imply that the price of listed PullRite product(s) is below the MAP policy schedule. For example, advertising such as "free freight," "20% off of all products in our catalog," "buy one, get one for half price" or "free with purchase" are all inconsistent with this Policy when referring to PullRite products.

4. This Policy applies to both new and established products. This policy does not apply to remanufactured, used or discontinued products. Used, discontinued or remanufactured products will not have a MAP price established but must be identified as such in the "Advertised" media.