

Effective: July 1, 2018

To: BioFilm (Astroglide) Retailers and Distributors

**Re: UNILATERAL MINIMUM ADVERTISED PRICE POLICY**

Dear Valued Partner,

Our brand's success is based on the loyal support of our retailers and distributors, upon whom we rely to promote and sell our products to consumers. To preserve the high quality of our products and service to customers, we have determined that it is in the best interest of our brand to deal only with retailers and distributors that advertise our products at no less than our Minimum Advertised Price or MAP. The MAP is not the same as our suggested retail price. It is the lowest price at which any Retail Dealer is allowed to advertise our products. **All advertised prices must be at or above the MAP price.** A MAP price for all BioFilm products has been established by BioFilm. Resellers are free to set the actual resale price of any product **as long as any advertised price is at or above the MAP price.**

We are committed to providing products of the highest quality, performance, and value. Accordingly, BioFilm's objective is to have its retailers, distributors and ecommerce sites protect their margins and our brand by not advertising Astroglide products below our MAP. In doing so, BioFilm seeks to preserve the value of BioFilm products, the reputation of the BioFilm brand, and the goodwill of BioFilm's trademarks and copyrights. Authorized retailers, distributors and ecommerce sites must agree to the MAP Policy.

While retailers are free to conduct business as they choose, BioFilm reserves the right to terminate any account we feel does not honor our MAP Policy. In cases of violation of the MAP Policy, Retail Dealers will be given twenty-four (24) hours to bring advertising into compliance. Failure to do so, or in the event of a continued violation of the MAP Policy, BioFilm may withhold promotional program elements (including discounts or rebates), suspend shipment, or terminate its business relationship with the Retail Dealer or distributor providing product to that retailer.

BioFilm sales representatives do not have authority to modify or grant exceptions to the MAP Policy. All questions or concerns regarding the MAP Policy should be made in writing to [Customer.service@biofilm.com](mailto:Customer.service@biofilm.com).

Retail Dealers should be in compliance by July 1, 2018. BioFilm reserves the right to change the MAP Policy at any time.

Because BioFilm's trademarks and brand names are used to advertise BioFilm products, BioFilm established this MAP Policy. BioFilm will not support advertising that depreciates the valuable goodwill of its trademarks or brand names or otherwise damages the BioFilm name or brands.

This MAP Policy works as follows:

1. The MAP for BioFilm products is published on BioFilm's website at [www.astroglide.com](http://www.astroglide.com).
2. All advertising messages initiated by Retail Dealers and aimed at more than one Retail Customer are included in the MAP Policy. This includes, but not limited to, posters, inserts, mobile device applications, banner ads online and Internet communications (e.g., email, web sites, auctions), print, radio, TV, catalogs, direct-mail advertising, outdoor advertising, and other media.
3. The inclusion in advertising of free or discounted products (whether made by BioFilm or another manufacturer) with the BioFilm product is contrary to this MAP Policy if it has the effect of discounting the advertised price of the BioFilm product below the MAP.

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4. This MAP Policy applies only to advertised prices. This policy does not apply to the price at which BioFilm products are actually sold or offered for sale to an individual Retail Customer in a store, by email, or over the telephone. Dealers remain free to sell BioFilm products at any price.
5. This MAP Policy does not apply to products that are close out or discontinued.
6. This MAP Policy does not limit the ability of Retail Dealers to advertise that “they have the lowest prices,” or to say that “they will meet and beat any competitor’s price,” or to ask consumers to “call for a price” so long as the price advertised is not less than the MAP.
7. As discussed above, in cases of violation of the MAP Policy, Retail Dealers will be allowed twenty-four (24) hours to bring advertising into compliance or BioFilm will take action in accordance with its MAP Policy.

While BioFilm reserves the right to determine what prices appear in any advertising of BioFilm products, BioFilm does not require Retail Dealers to sell the products at any particular price. Retail Dealers REMAIN FREE TO DETERMINE THEIR OWN RETAIL PRICES AND MAKE SALES TO RETAIL CUSTOMERS AT PRICES BELOW BIOFILM’S MINIMUM ADVERTISED PRICES.

We will monitor retailers’ and distributors’ practices in this respect on an ongoing basis, and if we discover that a retailer or distributor is advertising or allows its retail customers to advertise our products at prices below the prices we suggest, we will make a unilateral decision whether to terminate that distributor or take any other actions including for example those outlined above. Such a decision will be made solely by BioFilm’s management.

This policy applies to the price at which the products listed in the attached Exhibit A are advertised to consumers. Under this policy, advertising includes advertisement in any and all media and forms of electronic commerce. As explained above, it does not apply to the resale prices of our products or in-store advertising that is displayed only in physical store and not distributed to any consumer. Any price information relating to our products on the internet or other means of comparing prices constitutes advertising under this policy. However, digital coupons and promo codes may be provided to enable Internet shoppers to obtain a price at online checkout only that is below the MAP, provided that Internet shoppers may obtain actual selling prices by telephone. The policy applies to single units and any type of multipack. Multipack pack pricing must equate to the number of units times the single unit MAP.

This policy is a unilateral statement of our intent and is not a contract or an offer to form a contract. We do not ask for and will not accept any agreement to this policy on your part, as we expect strict adherence. Distributors shall supply copies of the current version of this policy to each of their new or existing retailers. We reserve the right to adjust the policy at our sole discretion at any time upon notice.

Any strike-through or other alteration of the MAP is inconsistent with this policy. However, it is not inconsistent with policy for BioFilm to include a free or discounted BioFilm product bundled with another BioFilm product covered by this policy. BioFilm may permit the advertisement of prices lower than MAP from time to time, and reserves the right to suspend this policy accordingly by providing notice of such changes.

Any and all questions regarding this policy should be directed to [customer.service@biofilm.com](mailto:customer.service@biofilm.com) and any matter will be brought directly to Management. No other BioFilm personnel are authorized to discuss any aspect of this policy, or the application of this policy to any specific distributor or retailer.

Sincerely,

Biofilm, Inc.

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**Confirmation of Receipt of BioFilm's MAP Policy**

BioFilm's MAP Policy is intended to encourage competition for the sale of BioFilm products in a manner that is consistent with the interests of our customers. We are sure that you share our commitment to customer satisfaction.

**EXHIBIT A**

**PRODUCTS SUBJECT TO THE UNILATERAL MINIMUM ADVERTISING PRICE POLICY**

<b>BRAND</b>	<b>PRODUCT</b>	<b>UPC</b>	<b>SIZE</b>	<b>MAP</b>
ASTROGLIDE	4 oz. Astroglide O Liquid	015594011417	4 oz.	\$14.53
ASTROGLIDE	2.5 oz. Astroglide Liquid	015594010229	2.5 oz.	\$5.67
ASTROGLIDE	5 oz. Astroglide Liquid	015594010182	5 oz.	\$8.67
ASTROGLIDE	4 oz. Astroglide Gel	015594010106	4 oz.	\$3.49
ASTROGLIDE	3 oz. Astroglide Ultra Gentle Gel	015594011035	3 oz.	\$4.97
ASTROGLIDE	2.5 oz. Astroglide X Silicone Liquid	015594010861	2.5 oz.	\$8.59
ASTROGLIDE	3 oz. Astroglide Diamond Silicone Gel	015594011202	3 oz.	\$9.98
ASTROGLIDE	2.5 oz. Astroglide Natural Feel	015594010946	2.5 oz.	\$7.98
ASTROGLIDE	2.5 oz. Astroglide Strawberry Liquid	015594010540	2.5 oz.	\$5.67
ASTROGLIDE	2.5 oz. Astroglide Warming Liquid	015594010342	2.5 oz.	\$5.67
ASTROGLIDE	5 oz. Astroglide Strawberry Liquid	015594010189	5 oz.	\$9.97
ASTROGLIDE	0.2fl oz. Astroglide Verge Spray	015594011523	0.2fl oz	\$15.97