

**STORMTECH PERFORMANCE APPAREL LTD.**  
**Unilateral Minimum Advertised Pricing Policy**

**1. Introduction**

Effective January 1, 2018, a Unilateral Minimum Advertised Price (“UMAP”) on all Stormtech Performance Apparel Ltd.’s (“*Stormtech*”) products will be in effect for all *Stormtech* Retailers (including, mobile commerce, internet and brick-and-mortar dealers, distributors, retailers and resellers, hereinafter referred to as “Retailers” or “Retailer”) in Canada and the United States.

*Stormtech* has been building a brand of strong recognition and a high perceived value since 1977. *Stormtech*'s network of Retailers make substantial investments in time and resources to provide exceptional customer service through well trained staff and sales collateral. To support Retailers in this regard, and to ensure *Stormtech*'s brand, legacy and reputation as a premiere producer of outerwear, sportswear and accessories, *Stormtech* has established this UMAP Policy.

**2. Policy Statement and Guidelines**

*Stormtech*, in its sole discretion, reserves the right to discontinue doing business with any Retailer that advertises any product(s) covered by this UMAP Policy at a price lower than the UMAP.

Accordingly, any Retailers that sell Stormtech's products must abide by the guidelines set out below:

- 1) The Minimum Advertised Price for any *Stormtech* product shall not be less than 20% below the current Manufacturer's Suggested Retail Price (MSRP) as published on the *Stormtech* price list as distributed. UMAP pricing is established by *Stormtech* and may be adjusted by Stormtech at its sole discretion.
- 2) The UMAP Policy applies to all advertisements of *Stormtech* products in any and all media, including, but not limited to, flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, mail order catalogs, Internet or similar electronic media, television, radio and public signage.
- 3) The UMAP Policy does not apply to: 1) any B2B programs in which a general consumer does not have direct access to; 2) any in-store advertising that is displayed only in the store and not distributed to any customer(s) outside of their store; and 3) any email newsletters sent to the Retailer's customer database.
- 4) The UMAP Policy applies only to advertised prices. The UMAP Policy does not apply in any way to the Retailer's actual selling price; the Retailer's retail sale prices for any and all Stormtech products remain wholly within the Retailer's discretion. For greater certainty, the UMAP Policy does not apply to the price at which *Stormtech*'s products are actually sold or offered for sale to an individual consumer by a Retailer at its location of business, on-line or by telephone. The Retailer is free to sell *Stormtech*'s products at any price it chooses, provided the Retailer does not advertise *Stormtech*'s products directly to an end consumer at a lower price point than the UMAP.
- 5) The UMAP does not prescribe maximum advertised prices. Retailers may offer *Stormtech* products at any price in excess of the UMAP.
- 6) Retailers may not make any statements, displays or communication on its website that indicate, state, imply or suggest that a lower price may be found at an online check out,

- including but not limited to the following representations: “click here for lower price,” “add to cart for lower price,” “check cart for lower price” or similar representations. Website features, such as “click for price,” automated “bounce- back” pricing emails, pre-formatted e-mail responses, forms, automatic price display for any available features prior to a produce being placed in a customer’s shopping cart, as well as other similar features, are considered representations initiated by the Retailer and, accordingly, captured by this UMAP Policy.
- 7) All Retailers agree to hold all trademarks and the copyright of *Stormtech* as the property of *Stormtech* and to use advertising and marketing materials provided by *Stormtech* in a manner so authorized by *Stormtech*.
  - 8) *Stormtech* will unilaterally make all determinations in relation to a violation of the UMAP Policy. *Stormtech* will take the appropriate action(s) necessary in the event of a violation of the UMAP Policy, including termination of dealership. It is *Stormtech*’s sole discretion whether or not to provide prior notice or issue warnings before taking any action under this UMAP Policy.
  - 9) E-Bay, Amazon.com and Other Auction Web Sites or any 3<sup>rd</sup> Party Direct to Consumer selling web sites Policy:
    - “Buy it Now” options must be listed at a price equal to UMAP or greater.
    - For auctions the reserve and/or opening bids must start at UMAP without a “Buy it Now” option.
    - Best Offer Auctions Are Not Allowed
  - 10) From time to time, *Stormtech* unilaterally permits certain *Stormtech* products to be advertised below the UMAP. The amount and length of time of the advertisement and the captured *Stormtech* products will be determined when *Stormtech* unilaterally, and in writing, permits the *Stormtech* products to be advertised below the UMAP.
  - 11) *Stormtech* may, from time to time, run a sale. When doing so, the UMAP will be the same as the sale price for the particular *Stormtech* products and the particular dates in which the sale is in effect. In these circumstances, *Stormtech* will provide advance notice with details of the sale.
  - 12) *Stormtech* will supply a copy of its UMAP Policy to any new or existing Retailers.