



July 1, 2016

Map Policy (Minimum Advertised Price Policy)

Schacht Spindle Company, Inc., has determined that its interests and the interests of its retailers are best served through the adoption of a minimum advertised price (MAP) Policy for the Zoom Loom. This MAP Policy is designed to protect retailer margins so that desirable presales and post-sales services and infrastructure can be provided by our channel partners, and support the Schacht Spindle Company, Inc. brand as a premium offering.

This policy has been unilaterally adopted by Schacht Spindle Company, Inc.

Policy Coverage

- This Zoom Loom MAP Policy covers all U.S. Schacht Spindle Company, Inc. resellers. Although resellers remain free to establish their own resale prices, Schacht Spindle Company, Inc. will, without assuming any liability unilaterally determine whether a reseller has failed to adhere to this MAP Policy. Schacht Spindle Company, Inc. will not discuss any conditions of acceptance related to this MAP Policy, as it is non-negotiable, and will not be altered for any reseller. Schacht Spindle Company, Inc. neither solicits, nor will it accept, any assurance of compliance with this MAP Policy. Nothing in this MAP Policy or in any other contract or agreement with Schacht Spindle Company, Inc. shall constitute an agreement between Schacht Spindle Company, Inc. and the reseller that the reseller will comply with this MAP Policy.
- MAP applies only to minimum advertised prices and does not apply to the price at which Zoom Looms are actually sold, or advertised prices higher than the unilateral MAP established by Schacht Spindle Company, Inc from time to time.

Minimum Advertised Price

- The current product catalog and Zoom Loom pricing are published in the Schacht Spindle Company, Inc. price list. The MAP shall not be less than the MAP listed on the published Schacht Spindle Company, Inc. price list. The price list may be changed from time to time at the sole discretion of Schacht Spindle Company, Inc. Schacht Spindle Company, Inc. resellers are responsible for remaining current with the MAP Policy, products, and pricing. Any advertisements below the MAP will be in violation of the Policy.
- At this time the MAP Policy applies only to the Zoom Loom.
- The MAP Policy applies to all advertisements of the Zoom Loom in any and all media including, without limitation, flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, mail order catalogs, internet or similar electronic media including e-newsletters, blogs, and internet marketing, television, radio, and public signage.
- The inclusion in advertising of free or discounted products (whether made by Schacht Spindle Company, Inc. or another manufacturer) with a product covered by this MAP Policy would be

contrary to this MAP Policy if it has the effect of discounting the advertised price of the covered Schacht Spindle Company, Inc. product more than 10% below the MSRP.

Policy Violations

- Schacht Spindle Company, Inc. reserves the right to decline to make further sales to resellers who do not adhere to this MAP Policy. Failure to adhere to this Map Policy shall be determined by Schacht Spindle Company, Inc at its sole discretion. Schacht Spindle Company, Inc will not accept any communication from a reseller who has violated this MAP Policy regarding the violation or the willingness of the retailer to bring its prices into compliance with the MAP Policy.

Policy Modifications

- Schacht Spindle Company, Inc. reserves the right at any time to modify, suspend, or discontinue the MAP Policy in whole or in part or designate promotional periods during which the terms of the policy change or designate periods of time during which the Policy is not applicable.

Unilateral Action

- Schacht Spindle Company, Inc. is not seeking agreement from any retailer to adhere to this MAP Policy. It is entirely within the discretion of the reseller whether to comply or not comply.

Contact Information

- Schacht Spindle Company, Inc. sales personnel have no authority to modify or grant exceptions to this policy or have any communications with any retailer regarding violations of this MAP Policy. All questions or comments regarding this MAP Policy are to be directed to the policy administrator at janep@schachtspindle.com
- The policy administrator shall be solely responsible for determining whether a violation of the policy has occurred, communicating decisions to resellers regarding the policy and receiving any communication regarding this policy.
- Schacht Spindle Company, Inc. will, from time to time, publish a schedule of manufacturer's suggested retail price (MSRP Schedule) on its internet website which may be amended or adjusted by Schacht Spindle Company Inc. at any time in its sole discretion. The MSRP will identify the effective date, the products and the manufacturer suggested retail price (MSRP) for the Zoom Loom. Each advertisement in which the Zoom Loom is listed more than 10% below the MSRP Schedule will be a violation of this MAP Policy. Schacht Spindle Company Inc. products not specifically identified in the MSRP Schedule are not subject to this MAP Policy. The initial MSRP Schedule is distributed along with this document.
- This MAP Policy applies to all advertisements of the Zoom Loom listed on the MSRP Schedule in any and all media, including, but not limited to, flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, mail order catalogs, e-mail newsletters, e-mail solicitations, internet or similar electronic media, television, radio, and public signage. This MAP Policy is not applicable to any in-store advertising that is displayed only in the store and not distributed to any customer(s).
- The inclusion in advertising of free or discounted products (whether made by Schacht Spindle Company, Inc. or another manufacturer) with a product covered by this MAP Policy would be contrary to this MAP Policy if it has the effect of discounting the advertised price of the covered Schacht Spindle Company, Inc. product more than 10% below the MSRP.