



# Minimum Advertised Pricing Policy

FADE Gear, LLC  
Effective January 1, 2021

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The FADE Gear family of Retailers and Distributors is the most important asset we have. The financial health of our retail network is one of our greatest concerns. The perceived value of the FADE Gear brand is also a strong asset to the retail business.

In the past decade, growth of disc golf has continued to explode. Likewise, the number of retailers has also grown and new technology has allowed for more and more retailers to provide for a greater reach in developing their customer base.

## Effective January 1, 2021

- 1) **Business Rationale:** To protect the value of its brand, FADE Gear, LLC, the company is implementing this **Minimum Advertised Price Policy** effective January 1, 2021. (**MAPP**)
  - a) FADE Gear, LLC has made significant financial and personnel investments in the promotion and marketing of its bags, suspenders and other FADE Gear, LLC branded products (the "Products") in the disc golf marketplace and wishes to protect this investment and continue to promote FADE Gear, LLC as the marquee brand in these categories.
  - b) FADE Gear, LLC wishes to provide profit incentives for its resellers to share in the promotion of the Products.
  - c) FADE Gear, LLC wishes to protect the margins of its resellers so they have incentives to provide an excellent selling experience, invest in the presentation and marketing of the Products and to provide high levels of service after the sale and delivery of the Products.
- 2) **Unilateral Action:** FADE Gear, LLC is acting on its own and without the influence of any third party. It has determined that this approach promotes the best interests of the company and its resellers and offers the best manner to be effective in the marketplace and provide the highest benefit to the consumers.
- 3) **Scope of this Policy:**
  - a) **Products:** All Sports Bags, Coolers, Suspenders, Equipment and other products designed and manufactured by FADE Gear, LLC, or sold as FADE Gear, LLC with the FADE Gear label.
  - b) **Resellers:** All independent resellers in the United States who purchase FADE Gear, LLC products and resell to end consumers.
- 4) **Consequences of Policy Violation:**
  - a) **First Instance:** Upon verification by FADE Gear, LLC that a reseller has violated its MAPP, FADE Gear, LLC will advise the reseller, in writing, of the violation.
  - b) **Second Instance within the same 3-month period following the First Instance:** FADE Gear, LLC will suspend acceptance of all orders for FADE Gear Product for a period not to exceed one year or 365 days. No new orders will be accepted during this suspension period; however, FADE Gear, LLC will ship any orders still "in house," on the pre-pay basis only.
  - c) FADE Gear, LLC will not discuss any policy violations with any reseller, except to verify any violation of the policy. FADE Gear, LLC will impose suspensions without regard to the identity of the reseller.

- 5) **Policy Violations** - Examples of Violations (not meant to be an exclusive list):
- a) Any advertised pricing for FADE Gear products with a price below the MAPP, for example:
    - i) Web Site pricing where shown FADE Gear product price is below MAPP
    - ii) Storewide sales or storewide "percent off" sales where resulting price is below MAPP
    - iii) Written quotes for Product below the MAPP
- 6) **Exclusions:**
- a) Wholesalers are excluded from MAPP rules for B@B sales.
  - b) Employee purchases: Authorized resellers may sell FADE Gear, LLC product to actual store employees only (who are employed at the time of purchase of the FADE Gear, LLC Product), below the MAPP.
  - c) Floor Samples: FADE Gear, LLC Product offered for sale as floor samples that have been on the retail floor for a minimum of 90 days may be offered for sale below the MAPP, provided the sales tag clearly states: FLOOR SAMPLE and otherwise complies with any applicable state or federal law.
  - d) FADE Gear, LLC authorized mark-down item. Note: An authorized employee or authorized independent sales agent of FADE Gear, LLC must make this determination and approve in writing the sale of the marked-down item. For example:
    - i) Item damaged in shipping that needs to be sold
    - ii) Factory wrong-ship
    - iii) Discontinued merchandise
- 7) **Policy Modifications:**
- a) At its sole and exclusive discretion, and acting unilaterally, FADE Gear, LLC may suspend or modify this agreement in whole or in part, at any time with 30 days notice.
  - b) At its sole and exclusive discretion, and acting unilaterally, FADE Gear, LLC may initiate a promotional period when savings are suggested to be passed along to end consumers and where that pricing would fall below MAPP.
- 8) **Enforcement:**
- a) Acting unilaterally, FADE Gear, LLC will investigate any suspicion of MAPP violation.
  - b) If FADE Gear, LLC, or its authorized employees, obtains the following, it shall constitute conclusive proof of MAPP violation:
    - i) A written order or sales receipt with a price below the MRP that is not otherwise permitted.
    - ii) A Web Site price of FADE Gear product(s) that is not otherwise permitted by this policy.
  - c) This policy is intended to comply with all federal, state and local laws. To the extent that any part is inconsistent with any such laws, that part is void and inapplicable. All other parts of this policy will be enforced.
  - d) The determination of FADE Gear, LLC is final and cannot be appealed. FADE Gear, LLC cannot and will not discuss its determinations with any reseller or third party.