



PROFILE DESIGN MINIMUM ADVERTISED PRICE POLICY-USA
LOCATION: USA ONLY EFFECTIVE DATE: JANUARY 1, 2014

Rationale for Policy: Profile Design is an industry leader in triathlon and cycling components, wheels, wetsuits and accessories. Our brand and related products became leaders in the cycling industry by strong support, marketing and service from the independent retailer market. We are committed to developing and maintaining a strong partnership with our independent retail customers. When products are sold at prices below **MAP** ("minimum advertised price") our independent retailers refuse to stock, support or service the product in their stores. This then causes the image of our products and brand to suffer and results in fewer retailers supporting the product. It is our responsibility to protect and nurture the quality and image of our brands and products and to insure that our products and consumers are able to find the servicing that they require. We believe it is each individual **retailer's** right and responsibility to earn business from the consumer marketplace by advancing sales to the checkout phase, where **Non advertised prices** for individual items rest upon the sole discretion of the **retailer**.

Advertising Policy:

Text only **advertisements** for our **products**, such as Google Adwords or SMS (phone based text messages) are prohibited unless prior approval is granted by us.

All photos and logos used to represent or sell our brand and **products** must be obtained from our marketing department. (See contact info at end of this policy) Photos, Logos, Trademarks (registered and non-registered) and other product descriptions are our intellectual property and may not be modified or changed in any way (except for sizing) and may not be used to advertise or sell our **products** in violation of this **MAP** policy.

This policy applies only to **advertised** prices and does not apply to the **Non advertised price** or **MSRP** at which our **products** are actually sold or offered for sale to an individual consumer within the **Retailer's** retail location.

Advertised Price Policy (Minimum Advertised Pricing "MAP"):

USA Retailers will not **advertise** any products at a price lower than our **minimum advertised price (MAP)**. This **MAP** policy does not apply to **non-advertised prices**. Any **retailer** selling our **products** must abide by this **MAP** Policy. We shall determine **MAP** for all products in our sole and absolute discretion. We reserve the right to set, change, modify or discontinue any **product**, or **MAP** at any time, without notice and without liability. It is the sole responsibility of the retailer to ensure that its advertised prices comply with this **MAP** policy. We are relying on the **retailer's** adherence to the **MAP** policy in order to permit access to our **products**, pictures, descriptions and other intellectual property on our websites. Without full and complete compliance with this **MAP** Policy **retailers** may not advertise, sell or resell any products. Any item on the **MAP** price list that is advertised under the **minimum advertised price** will be considered in violation of this **MAP** Policy.

Promotional Pricing:

At times we may choose a **Product** on the **MAP** price list and offer said **Product** to **retailers** at a promotional wholesale price. These select promotional items will still be subject to **MAP** pricing.

Closeout Items / Pricing:

If an item is not listed on the **MAP** price list then it is a closeout item whether or not it is listed on a currently published closeout list. The closeout price is decided at the sole discretion of the retailer. All **advertised closeout prices** for our closeout items must indicate both the **closeout price** and the original **MSRP** (in close proximity to each other).

Definitions of Terms Above

Advertise or Advertised price: all published, or publicly posted/displayed prices, regardless of the manner communicated and irrespective of the format, medium or method of communication, whether it be by electronic mail, postcard, flyer, radio, television, billboard, magazine, trade journal, banners, newspaper insert, website banner or similar ad, webpage, meta

tags, URL, facsimile, mailings, pre-recorded telemarketing messages, or any other form. For example prices displayed on a final web purchase checkout page (or "shopping cart" page) are "advertised prices".

Non Advertised price: examples are: telephone or individual email responses to inquires by an individual consumer in response to "call or email for price" ads; in store face to face discounts given to a consumer upon consumers request, (such as discounts given to local bike club team members); prices posted in retail (brick and mortar) stores but only those visible only to consumers inside the store (not visible to passersby outside the store).

Product(s): All items specifically listed on current **MAP** price lists.

Retailer: Any person or entity that sells **Products** to consumers as, or as part of, a business. This includes, but is not limited to, independent bicycle dealers ("IBD's"), internet or internet only sellers, nationwide chain stores or specialty sporting goods stores, multi-sports stores.

MSRP: Manufacturer's suggested retail price. The final sale price is between the **retailer** and the consumer.

Violations

First Violation: If a retailer is found to have violated this policy the **Retailer** will be notified by us (or our **MAP** monitoring firm) via email or in writing of the violation(s). A follow-up contact will also be made via telephone, to discuss this **MAP** policy, followed by a formal request via email, to electronically confirm your receipt and review of this policy. Verification of the correction of the violation(s) and electronic acknowledgement of the **MAP** policy must be provided to us within 72 hours of our sending of the notification. If within a (1) one year period after that first warning if a **second violation** occurs, the retailer will be notified in writing and will be prevented from purchasing our products for 1 year from the date of the second notification. If within a (2) two year period after that second warning a **third violation** occurs, the retailer will be notified in writing as before and will be prevented from purchasing our **products** for (3) three years from the date of the second notification. If there is no satisfactory response and/or correction within that time **the violation will be deemed a third violation**. Retailer may re-qualify for sales of product during a suspension. Such Re-qualification may be allowed in cases where **Retailer** is controlled by new owners and or management after the violation. Before re-qualification can take place all unpaid balances outstanding to us and our distributor (with respect to sales of our **product**) shall become immediately due and payable.

Further information

The most current version of this policy is available at <http://www.profile-design.com/company/map-policy.html> which will list this most current policy. Current **MAP** price lists for the current and most recent past model year along with identification of which product is available for closeout pricing will be listed on the retailer extranet (which requires a retailer password). If you have questions concerning this policy, need logos and/or photos, or a retailer password please email MAP@profile-design.com or call 310-884-7756 ext 161 (M-F 9 am- 5pm PST). Do not call your distributor or outside rep. with questions regarding this policy.

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