



APPROVED FOR RESALE BY ECOLOGOGICAL LABORATORIES INC. SM

Ecological Laboratories, Inc. ("Ecological"), owner of - its respected brands, Microbe-Lift and Microbe Life Hydroponics, has spent valuable time, resources and funds to ensure that all Resale outlets will be able to provide consumers our products with the advice, service, knowledge, and support necessary to maintain the highest level of customer and consumer satisfaction. Ecological is committed to developing and maintaining a strong partnership with its independent Resale customers. With that said, Ecological has concluded that certain types of advertising can affect Ecological's goodwill with consumers and damage the reputation that Ecological products enjoy within the industry and retail marketplace. Ecological therefore has unilaterally decided to formally institute a Minimum Advertised Pricing Policy ("MAPP"), effective July 12, 2018.

Objectives of Ecological's MAPP:

There are three main objectives of implementing Ecological's MAPP:

- (1) To ensure that Ecological's Reseller-product relationships are consistent and value based.
- (2) To maintain Ecological's reputation for producing high-quality products
- (3) To assure the continued proper positioning of Ecological's products in the marketplace.

The Ecological MAPP:

Any Resale outlet ("Reseller"), including online resellers (each, a "Dealer", and collectively, "Dealers") or customer accounts (each, a "Distributor", and collectively, "Distributors") may advertise Ecological products at or above the minimum advertised price set by Ecological's MAPP. For purposes of the





MAPP, "Advertising" means any and all use of **Approved Media** (defined below) to convey any information to potential customers regarding Ecological or any product produced by Ecological.

Approved Media consists of billboards, newspapers, magazines, catalogs, brochures, direct mail, retail flyers, television, radio, e-commerce, forums and dealer internet sites, market places such as EBAY, AMAZON, WALMART, etc., or any internal link to a web based shopping cart. Advertising at prices below the set MAPP retail price will violate Ecological's MAPP.

Any Advertised price, discounts (including, but not limited to, rebates, sales, or coupons), resulting in an effective Advertised price for Ecological products at less than the minimum advertised price set by the MAPP will constitute a violation of the MAPP. Any Reseller who advertises bundles of products, which include Ecological products, must advertise the aggregate price of the bundles to reflect an advertised value of any included Ecological products at or above the MAPP price, to maintain compliance with the MAPP.

COMPLIANCE INCENTIVES

- 1. Resellers who fully comply with every provision of this policy are eligible to be named an APPROVED FOR RESALE BY ECOLOGICAL LABORATORIES, INC. SM Reseller and thus have a limited right to identify themselves as an APPROVED FOR RESALE BY ECOLOGICAL LABORATORIES, INC. 5M Reseller in their advertising media while in compliance.
- 2. Ecological will only recommend Resellers who adhere to the MAPP.
- 3. Resellers will be subject to forfeiture of the limited right to hold themselves out as an APPROVED FOR RESALE BY ECOLOGICAL LABORATORIES, INC. SM Reseller in their advertising media if the Reseller is found in non-compliance with any provision of the MAPP.

Violations and Imposed Sanctions Under the MAPP:

Ecological fully monitors all aspects of MAPP compliance across the retail marketplace. Ecological reserves the right to unilaterally impose the limited sanctions set forth below on any Reseller that is found by Ecological, in its sole and absolute discretion, to be in violation of the MAPP.

Ecological's MAPP applies to all forms of Advertising, as that term is defined and used above.

Ecological does not seek, nor will it accept, any agreement or understanding with any Reseller regarding the price that a Reseller may advertise or charge at any time for any Ecological product; the MAPP policy is implemented unilaterally for application to all its Resellers.



- 1. **First Violation**: If a Reseller is found to have violated Ecological's MAPP the reseller will be notified by ECOLOGICAL in writing of the violation(s) and warned of the consequences of a second violation; written notice may be via e-mail. Reseller must take remedial measures to comply with Ecological's MAPP within 48 hours of the email time-stamp. Failure to comply will result in revocation of the Reseller's ability to identify itself through use of the APPROVED FOR RESALE BY ECOLOGICAL LABORATORIES, INC. SM mark for three (3) months, i.e., suspending the limited right of the Reseller to hold itself out as an APPROVED FOR RESALE BY ECOLOGICAL LABORATORIES, INC. SM Reseller in their advertising media as well as any right to use Ecological's marketing copy and product photos. Ecological will refuse to sell its products to the Reseller during the revocation period and will place the Reseller on a do-not-sell list during this time. "The do-not-sell list identifies the online resellers who are not following the guidelines set in our MAPP Policy, which advises that all of our resellers avoid purchasing Microbe-
- 2. **Second Violation**: If a second violation occurs within the one (1) year period following notification of a first violation, the Reseller will be notified in writing of the violation(s); written notice may be via e-mail. Consequences for a second violation include, without limitation, revocation of the right to hold itself out as an approved reseller and to use the mark APPROVED FOR RESALE BY ECOLOGICAL LABORATORIES, INC. SM for six (6) months from the date of the second notification. Ecological will refuse to sell its products to the Reseller during the revocation period and will place the Reseller on a do-not-sell list during this time. "The do-not-sell list identifies the online resellers who are not following the guidelines set in our MAPP Policy, which advises that all of our resellers avoid purchasing Microbe-Lift Products® from the listed resellers, for the best customer experience."

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- 3. **Third Violation**: If within the two (2) year period following a second violation notice a third violation occurs, the Reseller will be notified in writing of the violation(s); written notice may be via email. Consequences for a third violation include, without limitation, revocation of the right to hold itself out as an approved reseller and to use the mark APPROVED FOR RESALE BY ECOLOGICAL LABORATORIES, INC. SM for one (1) year from the date of the third violation notice. Ecological will refuse to sell its products to the Reseller during the revocation period and will place the reseller on a do-not-sell list during this time. "The do-not-sell list identifies the online resellers who are not following the guidelines set in our MAPP Policy, which advises that all of our resellers avoid purchasing Microbe-Lift Products® from the listed resellers, for the best customer experience."
- 4. **Re-qualification**: Resellers may overcome the revocation, re-qualify as a Reseller and purchase Ecological products during a suspension at the sole discretion of Ecological. Such re-qualification would generally be allowed in cases where the Reseller is controlled by new owners and/or management following a violation.





Minimum Advertised Pricing Policy (MAPP)

- 1. The Minimum Advertised Price (MAP) is 20% off the current MSRP on Ecological branded products. Current MSRP on all Ecological products can be found on our websites at www.Microbelift.com and www.Microbelifehydro.com . Ecological reserves the right to change MSRP without notice in its sole discretion.
- 2. Advertised prices are defined as those prices published in any media, including but not limited to: flyers, posters, coupons, mailers, inserts, advertisements, mail order catalogs, internet, ecommerce, online marketplaces or other electronic communication media, television, radio and public signage.
- 3. Internet auction sites may not display or have a reserved bid or other acceptable prices below the MAP.
- 4. Distributors shall not sell Ecological products to any individual or entity where the distributor knows, or through the exercise of reasonable due diligence would have reason to know, that the purchaser intends to advertise Ecological products for resale to end users at less than the MAP.
- 5. From time to time, Ecological may discontinue products or designate products for clearance. Products designated "discontinued" or "clearance" are not subject to Ecological's MAPP and may be advertised at any price that the Reseller sees fit.
- 6. Ecological may publish a "Do Not Sell To" list of consistent violators of its MAPP. Ecological requests that all Distributors of Ecological products use good faith efforts to enforce this policy and not sell to any violators listed on the "Do Not Sell To" list.
- 7. The MAPP limits the price at which any Ecological product may be advertised only. The Ecological MAPP does not dictate the price at which any Ecological product may be sold and/or resold.
- 8. Website features such as "add to cart to see price", "click for price", automated "bounce-back" pricing e-mails, pre-formatted e-mail responses, forms, and automatic price display for any items prior to being placed in a customer's shopping cart, and other similar features are considered to be communications initiated by the Dealer (rather than by the customer) and thereby constitute "advertising" under this MAPP.
- 9. All photos, promotional materials and/or marketing copy used to represent or sell Ecological products must be obtained under license from Ecological's marketing department. Ecological owns all such photos, promotional materials and/or marketing copy, and any intellectual property rights





- thereto. The photos, promotional materials and/or marketing copy may not be modified, altered, defaced, or changed in any way.
- 10. VIOLATIONS: In the event of a violation of this MAPP, Ecological reserves the right to impose limited sanctions against the violator, up to and including placing the violator on the "Do Not Sell To" list. If placed on the "Do Not Sell To" List, the violator must remove all Ecological photos, promotional materials and/or marketing copy provided to the violator (including any material derived from the Ecological website or Ecological literature) from the violator's website and any other of the violator's other advertising and/or media.
- 11. It is the sole responsibility of Resellers to ensure that its advertised prices comply with the most current version of Ecological's MAPP.
- 12. Ecological may refuse to supply products to any Reseller who fails to adhere to Ecological's MAPP.
- 13. Ecological may choose to supply Resellers who comply with its MAPP with Ecological products, photos, promotional materials, marketing copy, and/or dealer incentive programs at the sole discretion of Ecological.
- 14. Unless otherwise noted on MAP price list, discontinued products or products otherwise selected by Ecological as suitable for closeout pricing may be advertised at any price at the discretion of Resellers; however, all advertised closeout prices for Ecological products must indicate that the product is a closeout item.
- 15. This Policy is not negotiable, as it is unilaterally implemented by Ecological. Ecological shall determine MAP for all its products in its sole and absolute discretion.
- 16. Ecological does not seek and will not accept your agreement with this MAPP. ***
- 17. MAPP violators who refuse to comply with the MAPP after being notified according to Violations section herein will be placed on a Do-Not-Sell List. Any sale by another Ecological Reseller to a Reseller on the Do-Not-Sell List will result in that other Ecological Reseller being in violation of this MAPP.

For questions relating to Ecological's MAPP, or to report a violator of Ecological's MAPP, please email: mapp@ecologicallabs.com

Ecological is committed to providing you with highly reliable, quality products capable and deserving of equal market value and profit opportunities supported by the best customer service in the industry.





Please feel free to call on us or your local Ecological sales representative if we can be of assistance to you.

Thank You for your continued business.

