APPROVED FOR RESALE BY ECOLOGICAL LABORATORIES INC. R

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 of 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 that can affect Ecological's goodwill with consumers and even 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 ("MAP") Policy, effective July 12, 2018.

Objectives of Ecological's MAP Policy:

There are three main objectives of implementing Ecological's MAP Policy:

- (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 MAP Policy. For purposes of the MAP Policy, "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 MAP retail price will violate Ecological's MAP Policy.

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





MAP Policy will constitute a violation of the MAP. 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 MAP price, to maintain compliance with the MAP Policy.

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. Reseller and thus have a limited right to identify themselves as an APPROVED FOR RESALE BY ECOLOGICAL LABORATORIES, INC. Reseller in their advertising media while in compliance.
- 2. Ecological will only recommend Resellers who adhere to the MAP Policy.
- 3. Resellers will be subject to forfeiture of the limited right to hold themselves out as an APPROVED FOR RESALE BY ECOLOGICAL LABORATORIES, INC. Reseller in their advertising media if the Reseller is found in non-compliant with any provision of Ecological's MAP Policy.
 - 4. <u>Violations and Imposed Sanctions Under the MAP Policy:</u>
 - 5. Ecological fully monitors all aspects of MAP 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 MAP Policy.
 - 6. Ecological's MAP Policy applies to all forms of Advertising, as that term is defined and used above.
 - 7. Ecological does not seek, nor will it accept, any agreement or understanding with any particular Reseller regarding the price that the Reseller may advertise or charge at any time for any Ecological product; the MAP Policy is implemented unilaterally for application to all its Resellers.

Minimum Advertised Pricing Policy (MAP Policy)

- Ecological products can be found on our websites at <u>www.Microbelift.com</u> and <u>www.Microbelifehydro.com</u>. 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.



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 - 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 MAP Policy 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 MAP Policy limits the price at which any Ecological product may be advertised only. The Ecological MAP Policy 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 MAP Policy.
 - 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 MAP Policy, 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 MAP Policy.
- 12. Ecological may refuse to supply products to any Reseller who fails to adhere to Ecological's MAP Policy.
- 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 Ecological's 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. Ecological's MAP 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 MAP Policy.
- 17. MAP Policy violators who refuse to comply with the MAP 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 MAP Policy.

Design Steps-

#1	Announcement	Violation Cited	5 days in-between
#2	First Warning	1 st Violation Warning	5 days in-between
#3	Second Warning	2 nd Violation Warning	5 days in-between
#4	Cut Off	1 st Actionable	5 days in-between
#5	Recurring Reminder	Recurring Action	10 days in-between





Announcement:

In order to guard the integrity of our products, ensure positive customer experiences, and protect the profitability of our valued distributor and reseller partners, we will be implementing a Minimum Advertised Price Policy (MAPP) effective 11/01/2022.

We strongly believe the implementation of a MAPP is vital in order to support the Ecological Laboratories brand as a premium offering and to protect reseller margins so desirable pre-sales and post-sales services and infrastructure can be provided by our channel partners. This will in turn help to create a level playing field for all sales channels.

Consequences

Please thoroughly read the MAP Policy as it explains the pricing responsibilities that will keep your account with Company in good standing. Understand that there will be consequences for any violation of the MAPP. Company reserves the right, at its sole discretion, to issue an "Account Hold," "Indefinite Account Suspension," or other penalty for any non-MAPP compliant reseller.

The Policy

For your reference, the Policy accompanies this Notice. A violation of the Policy occurs when a Reseller offers a product covered by the Policy below its MAP. The Policy also may be violated through certain conduct, including such things as the use of particular terms, descriptions, conditions or offers. Each violation is subject to the penalty or penalties described in the Policy.

Questions

All questions or requests for additional information regarding the Policy or information concerning potential violations of the Policy (which must be in writing) are to be addressed to the person at Ecological Laboratories, Inc.

Policy Administrator

Abby Richter

email: Abby.Richter@EcologicalLabs.com

Only the Policy Administrator or the Policy Administrator's designated representative(s) is or are authorized by Company to answer questions regarding the Policy, to comment on the Policy or to accept information regarding potential violations. Except for the Policy Administrator and such representative(s), no Company employee or independent sales representative has authority to comment upon or to take any action under the Policy.

Thank you for your continued support of Ecological Laboratories. We look forward to a positive and profitable ongoing relationship.

First Warning:

Based on an investigation at Ecological Laboratories, Inc., it has been determined that {MerchantName} ("Reseller") has violated the Minimum Advertised Price Policy (MAPP) issued by Company (the "Policy"), in the following manner (various other terms are defined in the Policy):



First Violation(s)

{MappViolations}

Consequences

Consistent with the Policy, Reseller must immediately adjust all pricing to comply with the Policy immediately. **The failure to do so will result in a second violation.**

Each violation of the Policy is cumulative. Except as otherwise provided in the Policy, the consequences of each violation can take effect regardless whether the consequences for the preceding violations are still running. The same acts or failures to act may result in multiple violations.

The Policy

For your reference, the Policy accompanies this Notice. A violation of the Policy occurs when a Reseller offers a product covered by the Policy below its MAP. The Policy also may be violated through certain conduct, including such things as the use of particular terms, descriptions, conditions or offers. Each violation is subject to the penalty or penalties described in the Policy.

Questions

All questions or requests for additional information regarding the Policy or information concerning potential violations of the Policy (which must be in writing) are to be addressed to the person at Company responsible for the Policy ("Policy Administrator"):

Policy Administrator

Abby Richter

email: Abby.Richter@EcologicalLabs.com

Only the Policy Administrator or the Policy Administrator's designated representative(s) is or are authorized by Company to answer questions regarding the Policy, to comment on the Policy or to accept information regarding potential violations. Except for the Policy Administrator and such representative(s), no Company employee or independent sales representative has authority to comment upon or to take any action under the Policy.

Second Warning:

Based on an investigation by Ecological Laboratories, it has been determined that {MerchantName} ("Reseller") has violated the Minimum Advertised Price Policy (MAPP) issued by Company (the "Policy"), in the following manner (various other terms are defined in the Policy):

Second Violation(s)

{MappViolations}

Consequences

Consistent with the Policy, Reseller must immediately adjust all pricing to comply with the Policy immediately. **The failure to do so will result in a third violation.**



Each violation of the Policy is cumulative. Except as otherwise provided in the Policy, the consequences of each violation can take effect regardless whether the consequences for the preceding violations are still running. The same acts or failures to act may result in multiple violations.

The Policy

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Questions

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Cut Off/First Actionable

Based on an investigation by Ecological Laboratories, Inc. ("Company"), it has been determined that {MerchantName} ("Reseller") has violated the Minimum Advertised Price Policy (MAPP) issued by Company (the "Policy"), in the following manner (various other terms are defined in the Policy):

Violation(s)

{MappViolations}

Consequences

Consistent with the Policy, Reseller is immediately cut off and will be added to the Company's Do-Not-Ship and Unauthorized Seller lists indefinitely.

The Policy

For your reference, the Policy accompanies this Notice. A violation of the Policy occurs when a Reseller offers a product covered by the Policy below its MAP. The Policy also may be violated through certain conduct, including such things as the use of particular terms, descriptions, conditions or offers. Each violation is subject to the penalty or penalties described in the Policy.

Questions



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Policy Administrator

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Recurring Reminder/Recurring Action:

Based on an investigation by Ecological Laboratories, Inc. ("Company"), it has been determined that {MerchantName} ("Reseller") has violated the Minimum Advertised Price Policy (MAPP) issued by Company (the "Policy"), in the following manner (various other terms are defined in the Policy):

Violation(s)

{MappViolations}

Consequences

Consistent with the Policy, Reseller is immediately cut off and will be added to the Company's Do-Not-Ship and Unauthorized Seller lists indefinitely.

The Policy

For your reference, the Policy accompanies this Notice. A violation of the Policy occurs when a Reseller offers a product covered by the Policy below its MAP. The Policy also may be violated through certain conduct, including such things as the use of particular terms, descriptions, conditions or offers. Each violation is subject to the penalty or penalties described in the Policy.

Questions

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Policy Administrator

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