



MJK PERFORMANCE
MINIMUM ADVERTISED PRICING POLICY (MAP Policy)

TO: Canadian and International Dealers, Distributors
FROM: Mad Jap Kustoms Inc d/b/a MJK Performance

Mad Jap Kustoms Inc. d.b.a. MJK Performance (“MJK”) manufactures and offers for sale numerous products (“Products”) bearing its brand name (“MJK Performance/MJK”) that it distributes under its own trade names and trademarks and logo’s (collectively the “Trademarks”). MJK also holds copyrights to the material in all of its catalogs and advertisements (“Copyrighted Material”). In order to monitor the use of its Trademarks and Copyrighted Material, MJK has adopted the following policies for its valued authorized dealer network (“Dealers”) located in Canada, United States and Internationally.

Limited License

MJK Performance grants a limited, revocable, non-exclusive and non-transferable license to its Dealers to use, reproduce, and display the Trademarks and Copyrighted Material provided the Dealer complies with the Policy and MJK Performance’s other policies (the” Limited License”). This Limited License is for the Dealer’s use to promote the sale of the Products and does not permit Dealers to distribute the Trademarks or Copyrighted Material to any third party for any purpose other than developing an advertisement for the Dealer. Any use of the Trademarks or Copyrighted Material is required to be accompanied, where appropriate, by an appropriate attribution identifying MJK Performance as the owner of the Trademark and/or Copyrighted Material so used. When using the Trademarks and/or Copyrighted Material, Dealers must be clearly identified in the Advertisement by providing, at a minimum their business name, address and phone number.

The Limited License rights granted in this Policy do not include the right of Dealers to register the Trademarks as or within domain names or to use the Trademarks in Dealer tradenames. Dealer recognizes that MJK Performance has the exclusive right to all Trademarks used by MJK Performance to identify its Products and Dealer agrees that it will not claim any right, title or interest therein. Nothing herein shall be construed to give Dealer any right, title or interest in the Trademarks or Copyrighted Material.

Map Policy

In order to preserve its reputation for providing customers with high value products and strong after-sales support, and to further enhance the MJK Performance brand image and its competitiveness in the marketplace, MJK Performance is unilaterally instituting a policy of minimum advertised price standards for MJK Performance. This Minimum Advertised Pricing Policy (“MAP Policy”) will become effective March 1st, 2017 and will apply to distributors and retailers, including catalog and internet retailers (collectively, “Resellers”), who resell MJK Performance products to end users located in Canada, United States of America and Internationally.

MJK Performance greatly values the efforts of all Resellers to distribute MJK Performance products and support our customers. This MAP Policy is adopted for the benefit of all Resellers, and its aspects related to advertising will be uniformly enforced. This MAP Policy shall work under the following guidelines:

1. MJK Performance may, from time to time, publish a Schedule of Manufacturer's Suggested Retail Prices ("MSRP Schedule") on its internet website, which may be amended or adjusted by MJK Performance at any time in its sole discretion. The MSRP Schedule will identify the effective date, the MJK Performance products and the manufacturer's suggested retail price ("MSRP") for those products. Each advertisement of a MJK Performance product identified in the MSRP Schedule more than 10% below the MSRP will be a violation of this MAP Policy. The initial MSRP Schedule is enclosed.
2. This MAP Policy applies only to advertised prices and does not apply to the price at which MJK Performance products are actually sold or offered for sale to an individual consumer within Resellers' retail locations or over the telephone. Resellers remain free to sell these products at any prices they choose, and will in no way suffer in their business relations with MJK Performance if they do not adhere to the MSRP.
3. This MAP Policy applies to all advertisements of MJK Performance products 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, E-commerce 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).
4. The inclusion in advertising of free or discounted products (whether made by MJK Performance 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 MJK Performance product more than 10% below the MSRP.
5. If pricing is displayed, any strike-through or other alteration of the MSRP that is paired with a discount price more than 10% below the MSRP is prohibited.
6. This MAP Policy does not establish maximum advertised prices. All Resellers may offer MJK Performance products at any price in excess of the MSRP.
7. Internet auctions may not display or have reserved bid or other acceptable prices more than 10% below the MSRP. **(Please see the Ecommerce and Internet Sales Supplement below)**
8. Pricing listed on an internet site is considered an "advertised price" and must adhere to this MAP Policy. Once the pricing is associated with an intent to purchase (added to a secure, not public, shopping cart or order), the price becomes the selling price and is not bound by this MAP Policy. Statements such as "add to basket to see price", "we will match any price", "call for price" or phrases of similar import are acceptable as long as the price advertised or listed for the products is not more than 10% below the MSRP. In addition, discounts applied at checkout to the entire order based on a customer's purchasing history with the Reseller, such as discounts for "frequent shoppers", do not violate this MAP Policy. **(Please see the Ecommerce and Internet Sales Supplement below)**
9. This MAP Policy is solely within MJK Performance discretion and authority acting through the duly authorized managers of MJK Performance. No employee or sales representative of MJK Performance has any authority to discuss, modify or grant exceptions to this MAP Policy. Any representation or action by any employee, sales representative or persons not specifically authorized to discuss, modify or grant exceptions to this MAP Policy under this paragraph is unauthorized and invalid. **All questions about this MAP Policy should be in writing and directed via Canada Post or U.S. Mail to MAP Policy Administrator, MJK Performance, #7866 10 Street NE, Calgary, Alberta T2E 8W1 or via e-mail to info@mjkperformance.com who will respond only in writing. No oral communications about this MAP Policy are authorized.** The MAP Policy Administrator shall be solely responsible for determining whether a violation of the policy has communications regarding sanctions imposed under this MAP Policy. Any action taken by MJK Performance under this MAP Policy shall be without liability to MJK Performance.
10. From time to time, MJK Performance may choose to offer special promotions on certain products. In such an event, we reserve the right to modify or suspend this MAP Policy in whole or in part by notifying all Resellers of the duration and nature of the change. MJK Performance further reserves the right to adjust the MSRP with respect to all or certain products at its sole discretion. Such changes shall apply equally to all Resellers.

11. Intentional and/or repeated failure to abide by this MAP Policy will result in sanctions unilaterally imposed by MJK Performance. The level of sanctions will be determined by MJK Performance in its sole discretion and may include indefinite termination of dealership or distributorship. MJK Performance does not intend to do business with Resellers who degrade the image of MJK Performance and its products. MJK Performance need not provide prior notice or issue warnings before taking any action under this MAP Policy. The following warnings may be issued at the discretion of MJK Performance MAP Policy Administrator:

First Offense: Dealer/Distributor will receive notification explaining the MAP policy and how to be compliant.

Second Offense: Dealer/Distributor will receive notification and will be given 48 hours to comply for electronic copy and thirty (30) days to comply with print copy.

Third Offense: Dealer/Distributor will receive notification of their violation and will be placed on a non-ship basis for thirty (30) days.

Fourth Offense: Dealer/Distributor will receive notification of their violation and will be placed on a non-ship basis indefinitely. This may be reviewed after a period of one (1) year.

12. Distributors of MJK Performance products will supply a copy of this MAP Policy to any new or existing Reseller for their records.

13. The terms of this MAP Policy are confidential and should not be disclosed to other parties.

Restrictions for Internet Sales and E-Commerce Online Sales

1. No Authorized Dealer, Third-Party Reseller or their affiliates shall advertise, sell or offer for sale any Products by means of the Internet, including websites, mobile applications and third-party marketplaces (collectively “E-Commerce”), without the express written consent of MJK Performance, or its authorized representative, through an E-Commerce Authorization.
2. No Authorized Dealer or its affiliates shall sell Products to another individual or company (“Third Party Reseller”) for the purposes of advertising, selling or offering for sale any Products by means of the Internet, including websites, mobile applications and third-party marketplaces unless the Third-Party Reseller has first obtained from MJK Performance, or its authorized representative, an E-Commerce Authorization.
3. For purposes of clarification, the intent of the above two paragraphs are to preclude all individuals or businesses from advertising, selling or offering for sale any Products by means of the Internet unless the individual or business has the express written consent of MJK Performance, or its authorized representative, in the form of an “E-Commerce Authorization. This includes direct customers of MJK Performance and third-party resellers who acquire Products from another business.
4. For purposes of these restrictions, third party marketplaces include, but are not limited to Amazon, eBay, Google Shopping, Sears, Newegg, Rakuten, Walmart and Alibaba. • E-Commerce Authorization can be requested via e-mail at INFO@MJKPERFORMANCE.COM.

This MAP Policy has been established by MJK Performance to help ensure MJK Performance’s position as a top producer of high quality products and to protect the reputation of its name and products. This MAP Policy is also designed to avoid destructive intra-brand conflict and to ensure that dealers and distributors have the incentive to invest resources into services for MJK Performance customers.