

BGRMODS Technology USA

Minimum Advertised Price (MAP) Policy April, 2010

This Minimum Advertised Price (MAP) policy establishes standards for all applicable advertisements of products (Products) produced or distributed by BGRMODS Technology USA, Inc. (Collectively the Company) branded products. The Company is providing this policy in order to reinforce the high quality image and value of the Products in the marketplace. Any advertisement that pictures, references or otherwise describes a covered Products is subject to this policy.

This MAP policy applies equally to the entire reseller organization who resells The Company's Products. Each reseller is responsible for compliance with this policy by all segments of its organization (online and retail). If any one segment within a reseller's organization violates any component of this MAP policy, the consequence will apply to the entire organization at the discretion of the Company.

The MAP policy applies to all forms of advertising, including, but not limited to, online and print. Each reseller is free to set and negotiate the actual resale price for any MAP product.

Once a reseller is notified of a breach of this policy by phone, fax or email they must suspend immediately the advertisement that is in violation.

The Company will enforce this policy. In the event a reseller fails to comply with the MAP policy, The Company specifically reserves the right to:

- Withhold product orders and impose monetary fines-

1. First violation will be a 30 day suspension
2. Second violation will be 60 days and a \$ 5,500.00 USD fine
3. Third violation will be reviewed by The Company's Pricing team along with the account manager and a course of action will be determined with a fine of up to \$25,000.00 USD in addition to all legal, litigation and collection costs and termination of the agreement.

- Terminate the authorization to resell The Companies Products.

All decisions will be made by the Distribution Committee and communicated in writing.

The Company's pricing team is the entity authorized to communicate MAP policy updates, changes and decisions along with actual MAP prices. This team is made up of the Company Senior Managers. No other member of the Company, the Distributor, or the Account representatives are authorized to modify or amend the MAP policy and pricing without prior written authorization from the Company's Pricing Team. This is a unilateral policy. The Company will not communicate with any reseller regarding any other reseller's advertising practices for MAP products, nor discuss its decisions regarding MAP issues. Appeals may be submitted in writing to the Pricing Committee.

Advertising Covered by the Company MAP Policy:

The Company MAP Policy applies to all forms of dealer advertising, including but not limited to the following categories:

Print advertising such as newspapers, magazines, and multi-page inserts.

Broadcast advertising, such as advertising on FCC-licensed radio and TV stations, public or cable television sponsorships

C. Direct mail advertising, such as catalogs, flyers, newsletters, and broadcast faxes

D. On-line advertising including:

1. E-mail blasts. Any promotional e-mail either originating from the reseller. Any web pages that link from an e-mail are considered part of the same advertisement.
2. Internet advertising (in all areas of a website above the 'shopping cart' level on any web site and other pages that follow upon 'click-through') including:
 - Internet-only 'e-tailers' that offer covered products.
 - Web sites of traditional retailers, distributors, and mail-order businesses that offer covered products, including membership clubs.
 - On-line services and portal sites that advertise covered products (such as aol.com, yahoo.com, google.com).
 - Shopping sites ('bots') and pricing search engines that advertise prices offered on covered products (such as mysimon.com, dealtime.com, bottomdollar.com, pricegrabber.com, froogle.com, bizrate.com).
 - Auction sites with a minimum or starting bid (such as ubid.com, ebay.com).
 - 'Banner ads' for a covered product placed on any web site (including the store's own web site) and pages that follow banner ads upon 'click-through.'

Advertising Not Covered by the MAP Policy:

- A. Non-advertised in-store merchandising
- B. The shopping cart of a web site, as long as the product was placed there by the consumer (by clicking an 'Order' or 'Add to Cart' button). Informational product pages must reflect MAP pricing
- C. Password-protected web site and direct mail pieces, not accessible by general public, which target:
 1. Employee Purchase Program.
 2. A specific customer that has negotiated special pricing with the reseller.
 3. Membership sites that require a membership number and password to be entered before being able to view pricing.

MAP Guidelines:

Except as specifically allowed elsewhere in this policy, advertisements featuring a Company branded product may not offer a covered product at a price less than MAP.

To meet a pricing convention, a MAP deviation of up to four-dollars (\$4.00) is permitted. On a bundle, the \$4.00 deviation applies to the bundle price (i.e. it is not per product).

Advertising without reference to a price does not violate this policy. 'Call for price', 'too low to show price', or 'click here to see price' are not considered violations of this policy.

MAP strike-thrus (example: \$119.95) are not considered violations of this policy.

Product Bundles

All bundles should be advertised at combined MAP prices of covered products.

Rebates and Other Discount Offers.

A rebate or other discount offer may be advertised on a covered product, in accordance with the latest MAP.

Offers for special financing terms or free service (shipping, installation, technical support, maintenance, training and the like) are acceptable on any Company Product.

Gift-with-purchase offers (merchandise, gift cards, and the like) exclusive to the Company Product are permitted, as long as they cannot be applied toward the purchase of the Company Products.

Advertising a dollar (\$) or percent (%) discount on a Company Product is permitted as long as the dollar or percent discount is within the shopping cart. Maximum value of a gift card cannot exceed 10% of the MAP price of the Company Product.

All Selling on Online must be a set price or buy it now, no online auctions are permitted.

All store-wide or category-wide discounts that run for a limited time are not a violation of the MAP policy.

A Company branded bundle rebate cannot be net against the price of any individual product in the bundle, or divided up and allocated against separate parts of the bundle; it may only be applied to the entire bundle. When the rebate/discount offer is advertised as a category-wide, multi-vendor offer and the discount values vary by product, The Company Branded products may not be advertised at a proportionately deeper discount than competitors' products. Note for the Company branded Products: MAP price must be shown, and the amount or % of the rebate may be shown, but the price may not be netted out on a reseller rebate offer.

Criteria for a Valid Category-Wide, Multi-Vendor Offer

The advertised offer must be on a category of products that includes at least one other major vendor in addition to the Company Branded Products. At a minimum, a Company branded product or products must be pictured, but the messaging in the advertisement must clearly and conspicuously state that the offer applies to any and all products in the relevant category carried by the reseller.

We reserve the right to change MAP prices, add or delete covered products, or change MAP policy guidelines. You can find the latest policy guidelines and MAP Price List from your distributor, the Company Sales Representative, or request them by emailing: jim@bgrmods.com.

If you wish to be notified when changes have been made, or if you have any questions, please send a written request to: jim@bgrmods.com.

You may also contact the Company with questions at the following address:

Pricing Committee
C/O Jim Ronding
BGRMODS
13 West Superior Street
Duluth, MN 55802

It is the reseller's responsibility to remain aware of any changes to the Company's MAP policy.

Please note: The Company does not entertain complaints from its resellers regarding any other reseller's pricing practices. The Company alone is responsible for enforcing this policy.

Company

Position

Signature

Date

Approved By: _____ Approval Date: _____