POLICIES FOR CRANKBROTHERS PRODUCTS

Crankbrothers recognizes that its dealer network, at all levels, continues to invest its resources and efforts behind those premium products that allow for maximum return and maintain strong consumer loyalty. The purpose of these policies is to recognize those dealers that offer superior customer service and product selection on a broad level, in order to continue to offer superior products that create consumer demand and generate solid profitability for all Crankbrothers dealers.

Minimum Advertised Price (MAP) Policy

CRANKBROTHERS HAS DETERMINED THAT ITS INTEREST AND THE INTEREST OF ITS RETAILERS ARE BEST SERVED THROUGH THE ADOPTION OF “MINIMUM ADVERTISED PRICE” (MAP) POLICY.

THIS MAP POLICY IS DESIGNED TO PROTECT RETAILER MARGINS SO THAT DESIRABLE PRE-SALES AND POST-SALES SERVICES AND INFRASTRUCTURE CAN BE PROVIDED BY OUR CHANNEL PARTNERS AND SUPPORT CRANKBROTHERS AS PREMIUM OFFERINGS.

Policy Coverage

This MAP policy covers crankbrothers wholesalers and retailers. Although retailers remain free to establish their own resale prices, crankbrothers, assisted by wholesalers, will unilaterally determine whether a retailer has failed to adhere to this MAP policy and pass the information at the wholesaler.

Crankbrothers will not discuss any conditions of acceptance related to this MAP policy, as it is non-negotiable, and will not be altered. Crankbrothers neither solicits nor accept any assurance of compliance with this MAP policy. This MAP policy does not constitute an agreement between Crankbrothers and its partners that they will comply with this MAP policy.

MAP applies only to “minimum advertised prices” and does not apply to the price at which the products are actually sold, or to advertised prices higher than the unilateral MAP established by Crankbrothers from time to time.

Minimum Advertised Price

All MAP products are published in the Crankbrothers pricelist. The pricelist may be changed from time to time at the sole discretion of Crankbrothers. The MAP is 10% off stated MSRP, as outlined by Crankbrothers in their price guides, provided by their wholesalers.

Retailers are responsible for remaining current with MAP policy, products and pricing. Any advertisement below the MAP will be a violation of the policy.

The MAP policy applies to all advertisements of specific Crankbrothers products in any type of media support including, without limitation, flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, mail order catalogs, Internet or similar electronic media, television, radio and public signage.

Policy Violations

Crankbrothers reserves the right to inform the wholesaler if retailers do not adhere to this MAP policy. Violation of this policy will cause a rebuke to unfair retailers and could lead to the decline of further sales.

Failure to adhere to this MAP policy shall be determined by Crankbrothers in its sole discretion. Anyhow, wholesalers are always responsible for their own business area and for the retailers they work with.

Crankbrothers will not accept any communication from a retailer who has violated this MAP policy regarding the violation or the willingness of the retailer to bring its prices into compliance with the MAP policy.

E-Commerce Policy

CRANKBROTHERS HAS ESTABLISHED THE FOLLOWING E-COMMERCE GUIDELINES THAT APPLIES TO ANY DEALER THAT WISHES TO SELL CRANKBROTHERS PRODUCTS VIA THE INTERNET. THIS INCLUDES ANY DEALER THAT USES THE INTERNET TO ADVERTISE CRANKBROTHERS PRODUCTS AS WELL AS ANY DEALER THAT USES THE INTERNET TO SOLICIT ANY INTEREST IN CRANKBROTHERS PRODUCTS.

AS E-COMMERCE PARTNERS DO NOT GENERALLY PROVIDE THE GRASSROOTS SERVICES NECESSARY TO CULTIVATE THE BRAND AND PRODUCTS LOYALTY THAT CRANKBROTHERS DESIRES TO ACHIEVE, CRANKBROTHERS DISCLOSES THAT IT INTENDS TO LIMIT THE NUMER OF E-COMMERCE PARTNERS.

Policy Coverage

The partner shall present the Crankbrothers brand and its products in a manner consistent with the premium nature of the Crankbrothers brand.

Crankbrothers will not discuss any conditions of acceptance related to this E-Commerce policy, as it is non-negotiable and will not be altered. Crankbrothers neither solicits nor accept any assurance of compliance with this E-Commerce policy. This E-Commerce policy does not constitute an agreement between Crankbrothers and its partner that it will comply with this E-Commerce policy.

E-Commerce Guidelines

E-Commerce partners must have an approved product presentation site and consumer education information must be available for each product listed in the site. This includes, but is not limited to: a full graphic image of the product; Crankbrothers specification on each performance product listed; explanation of Crankbrothers key performance technologies. This will serve to enhance the consumer experience for Crankbrothers products, as well as maintain the integrity of Crankbrothers premium products.

E-Commerce partners must have the capability for e-mail and consumer information retention, as well as the capability to distribute e-mail information to their consumer database.

Policy Violations

Crankbrothers reserves the right to approve or disapprove any website with regards to the listed E-Commerce guidelines or to Crankbrothers own expectations of product presentation.

Crankbrothers can decline to make further sales to partners that do not adhere to this E-Commerce policy. Failure to adhere to this E-Commerce policy shall be determined by Crankbrothers in its sole discretion.

Additional Information

Policy Modifications

Crankbrothers reserves the right at any time to modify, suspend, or discontinue the policies in whole or in part or designate promotional periods during which the terms of the policies change or the policies is not applicable.

Unilateral Action

Crankbrothers is not seeking agreement from any partner to adhere to this policy. It is entirely within the discretion of the partners whether to comply or not comply.

Disclaimer Information

Crankbrothers sales representatives have no authority to modify or grant exceptions to these policies or have any communications with any retailer regarding violations of this map policy.