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 Tel: 212.594.3800 Fax: 212.594.3985

## QPG Minimum Advertised Price Policy (“MAP”)

Effective May 1, 2011

The Quaker Pet Group (“QPG”) continually evaluates our position in the marketplace relative to our Dealers, our Distributors and our Competitors. QPG has determined that the establishment of Minimum Advertised Price (“MAP”) guidelines is necessary to maintain our position as a leader in the marketplace. In addition, MAP guidelines will contribute to the long-term sustainability and stability of the Company and our brands. QPG believes that advertising QPG products, other than in accordance with MAP guidelines, will negatively impact QPG’s reputation, public perception of product quality and overall positioning of QPG in the Pet industry.

QPG believes that MAP guidelines will also benefit our Dealers and Distributors for all the reasons stated above.

### Guidelines:

The MAP guidelines below are applicable to all of our Authorized Dealers and Distributors. Authorized QPG Dealers and Distributors who advertise any QPG products must follow the MAP policy according to the following guidelines:

- **Manufacturer’s Suggested Retail Price (“MSRP”)**
  - On a day-in, day-out basis QPG expects that all QPG products, except as otherwise noted, will be advertised at MSRP
  - Authorized QPG Dealers and Distributors who advertise at prices equal to or greater than QPG’s MSRP on a day-in, day-out basis may then participate in periodic promotional discounts under the MAP guidelines below
- **Minimum Advertised Price (“MAP”)**
  - Dealers and Distributors that meet the above qualifications may advertise QPG products at 25% below MSRP for up to two (2) 2-week promotional periods each calendar year
  - Each 2-week promotional period must be separated by a period of at least 30 days

QPG will monitor Dealer and Distributor advertisements and websites for compliance. Dealers and Distributors found to be in violation of the MAP guidelines will be subject to the following actions found in the chart below and on the following page:

### Enforcement Guidelines

MAP Violations Per Calendar Year	Policy
1 <sup>st</sup> Violation	<ul style="list-style-type: none"> <li>• Dealer or Distributor will receive a written warning of any initial violation</li> <li>• Violation(s) must be corrected within 3 business days</li> <li>• If uncorrected after 3 business days, QPG will cease shipments, and if applicable, remove Dealer or Distributor in violation from the QPG Store Finder at Quaker Pet Group brand sites until violations are corrected</li> </ul>
2 <sup>nd</sup> Violation	<ul style="list-style-type: none"> <li>• Dealer or Distributor will be notified of 2<sup>nd</sup> violation status</li> <li>• Violation(s) must be corrected within 3 business days</li> <li>• If uncorrected after 3 business days, QPG will cease shipments for a period of 30 days</li> <li>• Dealer or Distributor in violation will be removed from the QPG Store Finder at Quaker Pet Group brand sites for the same period</li> </ul>



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3 <sup>rd</sup> Violation	<ul style="list-style-type: none"><li>• Dealer or Distributor will be notified of 3<sup>rd</sup> violation</li><li>• QPG will close the Dealer or Distributor account</li></ul>
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### Other Terms:

QPG will provide its Dealers and Distributors with a Price List that includes MSRP and MAP Pricing for QPG Products on a seasonal basis and/or as prices change.

Dealers and Distributors located in the United States may not distribute or promote QPG outside of the United States and its territories without direct written authorization of QPG.

Authorized QPG Dealers and Distributors may market, advertise, offer to sell, sell and/or fulfill orders of QPG products from their web sites and catalogs. Sales of any QPG products listed on the current QPG Wholesale Price List through third party retailing (such as Ebay or Amazon) is strictly prohibited unless authorization from QPG in writing has been given. Authorized QPG Distributors may not market, advertise, offer to sell, sell and/or fulfill orders of QPG products directly to the consumer.

The MAP guidelines are applicable to all Dealers and Distributors who sell QPG products purchased directly from QPG and/or Dealers that purchase product through an approved QPG Distributor.

QPG may, at its sole discretion, stop shipments of QPG products to any Dealer or Distributor who fails to comply with the MAP guidelines and such termination shall be effective upon delivery of notice of termination to the Dealer or Distributor by QPG.

QPG recognizes that Dealers and Distributors need some flexibility in the marketing and sale of QPG products, in order to reflect local conditions and retail practices. Accordingly, each of the following types of promotions will constitute exceptions to the previously stated MAP guidelines:

- Storewide loyalty programs
- Closeouts (defined as products no longer listed for sale on the current QPG Price List)
- Products that are currently inline, but are being redesigned for the next, upcoming season

Dealers and Distributors will be notified at least 30 days prior to any changes in QPG Price Lists and/or MAP policies. Dealers and Distributors must have web sites in compliance by May 1<sup>st</sup> 2011.

Any questions or comments concerning the MAP guidelines should be directed in writing exclusively to QPG, Attention: Gary Ervick Executive Vice President 973-625-5900 ext.205 [gary@quakerpetgroup.com](mailto:gary@quakerpetgroup.com)

QPG reserves the exclusive right to interpret and enforce this policy. This policy should not be seen as establishing any rights on behalf of any Dealers or Distributors.

The MAP guidelines are subject to revision, at the sole discretion of QPG, at any time.