



# CHARLOTTE'S WEB

## STANLEY BROTHERS

### Charlotte's Web, Inc. Internet Minimum Advertised Price Policy Effective 4/13/20

#### 1. Introduction

We recognize that our success is tied to the success of our network of select authorized dealers. We also know that many of our dealers invest significant time and resources to deliver an extraordinary customer experience. We want to protect their ability to do so, while at the same time discouraging price-based advertising that would be detrimental to our dealers' service and support efforts. As a result, Charlotte's Web, Inc. has unilaterally established this Internet Minimum Advertised Price ("IIMAP") Policy.

#### 2. Policy Statement

Charlotte's Web, Inc., in its sole discretion, reserves the right to discontinue doing business with any reseller that advertises any product(s) covered by this IMAP Policy at a price lower than the IMAP.

#### 3. General Guidelines

- a. The products covered by this policy are listed in Section 6. ("IMAP Products"). Charlotte's Web, Inc. may, in its sole discretion, modify this list from time to time.
- b. IMAP does not establish maximum advertised prices. All dealers and distributors may offer Charlotte's Web, Inc. products at any price in excess of the IMAP established for such product.
- c. The IMAP Policy applies to advertised prices, not the price at which IMAP Products are actually sold or offered for sale to an individual in-store or over the telephone.
- d. "Bundling" or the inclusion in advertising of free or discounted products (whether made by Charlotte's Web, Inc. or another manufacturer) with a product covered by the IMAP policy would be contrary to the policy if it has the effect, in Charlotte's Web, Inc.'s sole discretion, of discounting the advertised price of the covered product below the IMAP.
- e. Regular Discount Policy: It is permissible for any authorized reseller of IMAP Products to run, up to, a 20% off event or net cost price as long as the everyday IMAP price is indicated in the ad and the event is time framed to indicate a date the event expires, never more than four (4) consecutive weeks.
- f. Markdown of Short Coded Product Policy: Total promotional plans and rates will need to be managed with your Charlotte's Web sales representative before being approved to run a markdown discount on existing inventory. Existing inventory is product that has already been purchased from Charlotte's Web and is set to expire in 90 days or less. Once approval is given in writing it is permissible for any authorized reseller of IMAP Products to run discounts deeper than 20% off, but no more than 50% off event for up to 72 hours as long as the everyday IMAP price is indicated in the ad and the event is time framed to indicate a date the event expires, never more than once a month unless during a holiday outlined in our Holiday Discount Policy.
- g. Holiday Discount Policy: It is permissible for any authorized reseller of IMAP Products to run a regular discount during the following holidays:



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1. New Year's Day / Eve
2. Christmas
3. Black Friday
4. Valentine's Day
5. President's Day
6. Good Friday
7. Easter
8. Mother's Day
9. Father's Day
10. Memorial Day
11. Halloween
12. Veteran's Day
13. Thanksgiving
14. Cyber Monday
15. 4th of July
16. Singles Day
17. Prime Day

h. Aged Inventory Policy: At times we will be offering our customers the opportunity to take advantage of aggressive short term promotions on specific short dated product. Our partners will be given specific pricing thresholds to participate in these promotions. It is permissible for any authorized reseller of IMAP Products to run regular discounts listed in section 3 part e and steep discounts listed in section 3 part f on aged inventory as long as the everyday IMAP price is indicated in the ad and the event is time framed to indicate a date the event expires.

#### 4. Advertising Guidelines

- a. The IMAP Policy applies to all advertisements of IMAP Products in any and all media, including but not limited to flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, television, radio, and public signage, as well as Internet sites, social media sites, apps, search engines, native ads, display ads, or any other electronic media.
- b. The IMAP Policy does not apply to solely on premise or in-store advertising that is not distributed to customers.
- c. Website features such as "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 IMAP Policy.
- d. It shall not be a violation of this IMAP Policy to advertise that a customer may "call for price" or "email for price," or to use similar language, specifically with respect to Charlotte's Web, Inc. products, so long as no price is listed.
- e. This IMAP Policy also applies to any activity which Charlotte's Web, Inc. determines, in its sole discretion, is designed or intended to circumvent the intent of this IMAP Policy, such as solicitations for "group purchases" and the like.



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- f. It shall not be a violation of this IMAP Policy to advertise in general that the reseller has “the lowest prices” or will match or beat its competitors’ prices, or to use similar phrases – so long as the reseller does not include any advertised price below IMAP and otherwise complies with this IMAP Policy.
- g. From time to time, Charlotte’s Web, Inc. may permit resellers to advertise IMAP Products at prices lower than the IMAP retail price. In such events, Charlotte’s Web, Inc. reserves the right to modify or suspend the IMAP retail price with respect to the affected products for a specified period of time by providing advance notice to all resellers of such changes.
- h. Authorized dealers may not sell Products on third party e-commerce portals or sites including but not limited to Amazon.com, eBay.com, craigslist.org, Facebook Marketplace or other sites, without written approval from Company.
- i. Authorized dealers may not sell or market products directly to retailers, third party sellers or distributors.

### 5. Policy Enforcement

- a. If a dealer with multiple store locations or e-commerce websites violates this IMAP Policy at any one store location, or on any one website, then Charlotte’s Web, Inc. will consider this to be a violation by the dealer.
- b. Charlotte’s Web, Inc. reserves the right to cancel any pending orders, restrict future orders, or suspend dealers’ accounts if Charlotte’s Web, Inc. reasonably believes:
  - i. a dealer has violated the provisions of this policy; or
  - ii. a dealer intends to violate this policy.
- c. Charlotte’s Web, Inc. is solely responsible for determining whether a violation of the IMAP Policy has occurred, as well as determining appropriate sanctions.
- d. Waivers to this IMAP Policy may be granted in Charlotte’s Web, Inc.’s sole discretion by the IMAP Policy Administrator in writing. Charlotte’s Web, Inc. Sales, Marketing, or other personnel are not authorized to modify or grant exceptions to the IMAP Policy.
- e. Charlotte’s Web, Inc. monitors the advertised prices of dealers, either directly or via the use of third party agencies or tools. Dealers are expected to provide reasonable cooperation in any Charlotte’s Web, Inc. investigation regarding possible IMAP Policy violations. Hindering, obstructing, delaying, or otherwise failing to cooperate with a Charlotte’s Web, Inc. IMAP Policy investigation is a violation of this IMAP Policy.
- f. The IMAP Policy will be enforced by Charlotte’s Web, Inc. in its sole discretion and without notice. Dealers, distributors, resellers, have no right to enforce the IMAP Policy. Violations of this policy may result in any of the aforementioned sanctions up to and including termination of our business relationship, as well as any available remedies at law. All questions related to this IMAP Policy should be directed to your account manager.



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### 6. IMAP Products

<u>Product Name</u>	<u>MSRP</u>	<u>UPC</u>
7mg OO 30mL	\$29.99	843119100687
7mg OO 100mL	\$79.99	843119101028
7mg Mint Chocolate 30mL	\$29.99	843119100670
7mg Mint Chocolate 100mL	\$79.99	843119101011
7mg Lemon Twist 30mL	\$29.99	843119100717
7mg Orange Blossom 30mL	\$29.99	843119100779
17mg OO 30mL	\$59.99	843119100700
17mg OO 100mL	\$149.99	843119101042
17mg Mint Chocolate 10mL	\$24.99	843119101530
17mg Mint Chocolate 30mL	\$59.99	843119100694
17mg Mint Chocolate 100mL	\$149.99	843119101035
17mg Lemon Twist 30mL	\$59.99	843119100724
17mg Orange Blossom 30mL	\$59.99	843119100786
50mg OO 30mL	\$119.99	843119101004
50mg OO 100mL	\$274.99	843119101066
50mg Mint Chocolate 10mL	\$49.99	843119101936
50mg Mint Chocolate 30mL	\$119.99	843119100991
50mg Mint Chocolate 100mL	\$274.99	843119101059
60mg Mint Chocolate 10mL	\$49.99	843119101509
60mg Mint Chocolate 30mL	\$119.99	843119101202
60mg Mint Chocolate 100mL	\$274.99	843119101219
60mg Lemon Twist 30mL	\$119.99	843119100731
60mg Orange Blossom 30mL	\$119.99	843119100793
CBD Isolate Oil 20mg Unflavored 30ml	\$69.99	843119101264
15 mg Liquid Capsules 7 ct	\$9.99	843119102506
15 mg Liquid Capsules 30 ct	\$39.99	843119101448
15 mg Liquid Capsules 60 ct	\$69.99	843119101455
25 mg Liquid Capsules 30 ct	\$74.99	843119101479
25 mg Liquid Capsules 60 ct	\$119.99	843119101486
Calm Gummy 6ct PDQ	\$9.99	843119101349



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Calm Gummy 60ct	\$44.99	843119100854
Sleep Gummy 6ct PDQ	\$9.99	843119101356
Sleep Gummy 60ct	\$44.99	843119100861
Recovery Gummy 6ct PDQ	\$9.99	843119101363
Recovery Gummy 60ct	\$44.99	843119100878
Pet 7mg Chicken 30mL	\$29.99	843119100960
Pet 17mg Unflavored 30mL	\$59.99	843119100953
Pet 17mg Chicken 30mL	\$59.99	843119101233
Pet 17mg Unflavored 100mL	\$149.99	843119100977
Pet 17mg Chicken 100mL	\$149.99	843119100984
Pet Calming Chew 30ct	\$19.99	843119100885
Pet Calming Chew 60ct	\$34.99	843119100915
Pet Hip & Joint Chew 30ct	\$19.99	843119100892
Pet Hip & Joint Chew 60ct	\$34.99	843119100922
Pet Cognition Chew 30ct	\$19.99	843119100908
Pet Senior Chew 30ct	\$19.99	843119102476
Pet Hemp Infused Balm 1.5 oz	\$24.99	843119100946
Infused Balm .5 oz	\$14.99	843119101158
Infused Balm 1.5 oz	\$29.99	843119101165
Infused Balm Tin 0.5 oz	\$14.99	843119102391
Infused Balm Tin 1.5 oz	\$29.99	843119102407
Infused Balm Stick 1.75 oz	\$39.99	843119101639
Infused Cream 2.5 oz	\$39.99	843119101585
Infused Cream Unscented 2.5 oz	\$39.99	843119101141
Infused Cream Soothing Scent 2.5 oz	\$39.99	843119101134
Infused Cool Gel 1.7 oz	\$39.99	843119101608
Infused Roll-On Peppermint Scent 0.34 oz	\$14.99	843119101653
Infused Roll-On Lavender Scent 0.34 oz	\$14.99	843119101646



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I, the undersigned, hereby acknowledge my comprehension of the above stated policy and my agreeance to comply with all minimum advertised pricing outlined in this document.

I understand that should I be found non-compliant, in any way, of this agreement, Charlotte's Web, Inc. retains the right to nullify business relations between our two parties.

Company: Charlotte's Web, Inc.

Company: \_\_\_\_\_

Contact: Tony True

Contact: \_\_\_\_\_

Title: CCO

Title: \_\_\_\_\_

Signature: Tony True

Signature: \_\_\_\_\_