

Dear Valued Customers,

I am writing today seeking your support on what we believe is an important matter. We have recently discovered the extremely low prices that our items are being listed for sale, namely on Amazon and eBay. We were shocked to see these items listed for retail sale below wholesale and in a few cases below even distributor pricing. Wholesalers should be buying from you, our reputable distributors, not from eBay or Amazon.

It is for that reason we have decided to institute a unilateral policy of minimum advertised price standards for Jelique products. This Minimum Advertised Pricing Policy ("MAP Policy") will become effective February 28, 2013, and will apply to distributors and retailers, including internet retailers (collectively, "Resellers"), who resell Jelique products to end users.

Jelique greatly values the efforts of all Resellers to distribute Jelique products and support our customers. This MAP Policy is adopted for the benefit of all Resellers and will be uniformly enforced.

We are asking for your cooperation to enforce this policy. We have attached the MAP Policy along with a list of minimum advertised prices (MAP) for all of our products (Schedule "A") and we ask that you forward this information to your customers. Beginning February 28, 2013, Jelique, in its unilateral discretion, will not do business with any Reseller, as to the products covered by this MAP Policy, if that Reseller intentionally advertises any Jelique product below its MAP. Jelique is confident that this program will strengthen its competitiveness and benefit all of its Resellers.

If you have any questions feel free to contact us.

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 Jelique Products Inc. brand image and its competitiveness in the marketplace, Jelique is unilaterally instituting a policy of minimum advertised price standards for Jelique products. This Minimum Advertised Pricing Policy (“MAP Policy”) will become effective February 28, 2013 and will apply to distributors and retailers, including internet retailers (collectively “Resellers”), who resell Jelique products to end users located in the United States.

This MAP Policy has been established by Jelique to help ensure the legacy of Jelique as a manufacturer and distributor of quality lotions, enhancers, toy cleaner and sex attractants for the adult industry. The MAP Policy is also designed to ensure Resellers have the incentive to invest resources into services for Jelique customers.

Guidelines related to this MAP Policy are as follows:

1. The MAP Policy will be enforced by Jelique Products Inc. in its sole discretion.
2. All Jelique products are subject to this MAP Policy (“MAP Products”). Jelique will maintain an updated MAP Products list of those products that will fall under this MAP Policy along with the Minimum Advertised Price for each MAP Product, attached hereto as Schedule “A”. Jelique reserves the right to update or modify Schedule “A” at any time.
3. MAP applies only to advertised prices and does not apply to the price at which Jelique products are actually sold or offered for sale to an individual consumer by the Reseller. Jelique Resellers remain free to sell MAP Products at any prices it elects, but Jelique has provided a suggested retail price of its products in Schedule “A”.
4. MAP does not establish maximum advertised prices. All Resellers may advertise MAP Products at any price in excess of the MAP established for such product.
5. All MAP Products listed in Schedule “A” have a MAP retail price. Listing a price other than the MAP retail price next to the featured MAP Product in any advertising will be viewed as a violation of this MAP Policy.
6. This MAP Policy applies to all advertisements of MAP Products in any and all media, including, without limitation to, flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, mail order catalogs, internet or similar electronic media including websites, internet auctions, forums, email newsletters, email solicitations, television, radio, and public signage. Such website features such as “click for price,” automated “bounce-back” pricing e-mails, pre-formatted e-mail responses, forms, 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 Reseller (rather than

by the customer) and constitutes “advertising” under this MAP Policy and must comply with this MAP Policy.

7. This MAP Policy also applies to any activity which Jelique determines, in its sole discretion, is designed or intended to circumvent the intent of this MAP Policy, such as solicitations for “group purchases” and the like.
8. Prices displayed on an internet site are considered advertised prices for purposes of this MAP Policy and must comply with this MAP Policy. Once a customer indicates an intent to purchase (*e.g.*, adds an item to a virtual shopping cart or order), the Reseller may sell at any price. Statements such as “add to basket to see price,” “call for price,” or phrases of similar import are acceptable so long as any advertised or listed price for a MAP Product complies with this MAP Policy.
9. Internet auctions may not display or specify reserved bids or other prices below MAP.
10. No Reseller of MAP Products may advertise any specific price that does not comply with this MAP Policy through search engine advertising, including but not limited to such advertising through Google, Bing, Yahoo and MSN.
11. It shall not be a violation of this MAP 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 MAP and otherwise complies with this MAP Policy.
12. From time to time, Jelique may permit Resellers to advertise MAP Products at prices lower than the MAP retail price. In such events, Jelique reserves the right to modify or suspend the MAP retail price with respect to the affected products for a specified period of time by providing advance notice to all Resellers of such changes.
13. Where MAP Products are bundled with or sold as part of a package that includes other products (whether or not manufactured by Jelique), it shall be a violation of this MAP Policy to sell or advertise the bundle (or package) at a price that: (a) is lower than the total MAP of the Jelique product or (b) violates the letter or spirit of this MAP Policy.
14. It shall be a violation of this MAP Policy to include in any advertising for MAP Products any additional discount, coupon, gift card, or incentive (whether in the form of a special event, promotion, term of doing business or otherwise) that translates into an immediate price reduction, where the cumulative effect would be to reduce the advertised price of any MAP Product below MAP.
15. If a Reseller with multiple store locations violates this MAP Policy at any particular store location, then Jelique will consider this to be a violation by all of the Reseller’s locations.
16. Although Resellers remain free to establish its own resale prices, Jelique reserves the right to cancel all orders and indefinitely refuse to accept any new orders from any

Reseller following Jelique's verification that such Reseller has advertised any MAP Products at a net retail sales price less than the then-current MAP retail price established by Jelique, or if the Reseller has violated this MAP Policy in any other way.

17. For intentional or repeated failure by a Reseller to comply with this MAP Policy, Jelique may unilaterally, in its sole discretion, impose sanctions. Sanctions may include indefinite termination of the violating Reseller's wholesale account, cancelling all existing orders from such Reseller and refusing to accept from or deliver to such a Reseller any new order. Any action taken by Jelique under this MAP Policy shall be without liability to Jelique. Jelique does not intend to do business with Resellers who degrade the image of Jelique and its products. Jelique will not provide prior notice or issue warnings before taking any action under this MAP Policy. Jelique reserves its right to make independent decisions about product allocation and Reseller participation.
18. Jelique has adopted this MAP Policy unilaterally, and will not negotiate its MAP Policy or its enforcement. Jelique reserves the right at any time to modify, suspend or discontinue this MAP Policy.
19. Distributors of Jelique products shall supply a copy of this MAP Policy and Schedule "A" to any new or existing Reseller in its records.

BY ORDERING FROM JELIQUE PRODUCTS, INC., YOU ARE AGREEING TO THIS MAP POLICY. ADVERTISING MAP PRODUCTS LOWER THAN THE MAP SET OUT IN SCHEDULE A CONSTITUTES A BREACH OF THIS AGREEMENT AND MAY RESULT IN JELIQUE PRODUCTS, INC. IMPOSING SANCTIONS, INCLUDING, INDEFINITE TERMINATION OF YOUR WHOLESALE ACCOUNT, CANCELLATION OF YOUR EXISTING PURCHASE ORDERS, OR REFUSAL TO ACCEPT OR DELIVER ANY NEW ORDERS.

Schedule "A"

Product	Suggested Retail Price	MAP
Mighty Tidy Toy Cleaner ® 4 oz. Bottle	\$7.95	\$4.65
Mighty Tidy Toy Cleaner ® 8 oz. Bottle	\$9.95	\$6.00
Nipple Nibblers ® 2oz. Jar	\$9.95	\$5.20
Nipple Nibblers ® Sample Jar	\$2.95	\$2.50
Nipple Nibblers ® stick	\$3.00	\$2.65
Nympho's Desire ® 1.5 oz. Tube	\$12.95	\$8.00
Nympho's Desire ® 3ml Foil Packet	\$1.00	\$0.65
Pure Instinct ® Cologne 15ml	\$19.95	\$9.50
Pure Instinct ® Cologne Roll-On 10.2ml	\$17.95	\$8.80
Pure Instinct ® Packet wipe .75ml	\$1.75	\$1.00
Tasty Twist ® 1.5 oz. Tube	\$15.95	\$8.40
Tasty Twist ® 3ml Foil Packet	\$1.15	\$0.75
Pure Instinct ® Solid Perfume	\$17.95	\$8.00