

LELO INC.
MINIMUM ADVERTISED PRICE POLICY
Internet and Mail Order Sales

Effective May 1, 2011

LELO Inc. is dedicated to providing consumers with a high-quality product and purchase experience. To support this objective, we have established a minimum advertised price policy ("MAP Policy") designed to protect the quality image of our products as well as the LELO brand name and related trademarks. This MAP Policy applies to all Internet and mail order sales of LELO products in the United States and Canada, and in such other countries (except where such policies are prohibited by law) where LELO products are sold.

The MAP Policy shall apply to all LELO products on LELO's then-current retail price list (the "MAP Products"). Unless otherwise indicated on the price list, the suggested minimum advertised price (the "MAP Price") for each MAP Product shall be ninety percent (90%) of the LELO suggested retail price. LELO reserves the right to alter the MAP Products and/or MAP Prices at its sole discretion.

To conform to the MAP Policy, a retailer may not advertise any of the MAP Products at a price below the applicable MAP Price. Advertising shall include: any newspaper, magazine or billboard ads; catalogues; mobile phone ads; electronic mail; Twitter feeds; Facebook or other social network postings; flyers or direct mail pieces; television or radio ads; opening bid, "buy now" or no-bid postings on eBay or other online auction sites; and Internet pop-ups, downloads, search ads or display ads. However, this Policy does not apply to displaying a MAP Product's price to an Internet customer after he or she places the product in his or her secure shopping cart, or to prices provided by direct telephone or email communication in response to a prospective customer's request.

This MAP Policy includes advertising of any rebates, banner discounts, store-wide or department sales, buy-one-get-one-free promotions, or any other advertised sale or discount that results in the MAP Products being advertised at an effective price below the MAP Price. LELO may, from time to time, sponsor special promotions or rebates to which this MAP Policy will not apply, as designated by LELO in its sole discretion.

LELO reserves the right, upon verifying that a retailer has advertised MAP Products below the applicable MAP Price, to make the retailer no longer eligible to purchase or resell MAP Products. Any decision to reinstate a retailer's ability to purchase a MAP Product after the retailer has advertised that MAP Product below the applicable MAP Price will be at the sole discretion of LELO. LELO does not ask for, and will not accept, any assurances of future compliance with this MAP Policy as a condition of reinstatement.

This MAP Policy does not apply in any way to a retailer's actual setting of retail prices. Each retailer remains free to set its actual resale price for LELO products, in the retailer's sole discretion.

LELO has adopted this MAP Policy unilaterally. LELO neither solicits, nor will it accept, any assurance of compliance with this MAP Policy. LELO will not discuss any conditions of acceptance related to this Policy, as it is non-negotiable and will not be altered for any retailer. Nothing in this Policy shall constitute an agreement between LELO and any retailer that the retailer will comply with this MAP Policy.

LELO employees, distributors and sales representatives are not authorized to engage in any conversations with any retailer on this subject. They do not have any authority to modify or grant exceptions to this MAP Policy. Please do not discuss this MAP Policy with any LELO employees, distributors or sales representative.

LELO believes this MAP Policy is clear and unambiguous. Should you have any inquires regarding this Policy, however, please direct them **in writing** to:

Elizabeth Sedic
LELO Inc.
4320 Stevens Creek Boulevard, Suite 205
San Jose, CA 95129
es@lelo.com

LELO reserves its right to modify, suspend or discontinue this Policy in whole or in part at any time. This MAP Policy supersedes all previous policies, and shall remain in effect unless LELO amends or replaces it.