

WELLEMENTS, LLC

REVISED PRICE POLICY

Effective July 7, 2016

PURPOSE

In order to better compete in the sale of high quality baby products (“**Products**”), to protect the price integrity and value of Wellements Products, and to position Wellements properly in the market, Wellements has unilaterally adopted this Revised Price Policy (the “**Policy**”). This Policy applies to all retailers who purchase Wellements Products for resale, whether directly or through a reseller (distributor).

This Policy does not constitute an agreement, and is subject to change by Wellements at any time. Wellements, in its sole discretion, may interpret and apply this policy as Wellements deems appropriate. Wellements sales personnel have no authority to modify or grant exceptions to, or otherwise interpret, this Policy.

BACKGROUND

Wellements revises this Policy in recognition that a supplier may establish the terms and conditions upon which it sells products, including the terms and conditions affecting the resale price.

Because this Policy is Wellements’ unilateral announcement of the terms under which it will agree to sell, or continue to sell, the Products to retail accounts, Wellements will not seek or accept any assurances of compliance with it. A retail partner always maintains the right to unilaterally establish its own prices. Selling Wellements Product at or above the Manufacturer’s Suggested Retail Price (“**MSRP**”) or Manufacturer’s Suggested Advertised Price (“**MSAP**”) is not communicating acceptance or compliance.

Wellements will not respond to complaints from retailers regarding sales practices of other retail partners.

EFFECTIVE DATE

The Revised Price Policy is in effect beginning on July 7, 2016.

NET PRICE

Under the terms of the Policy, the net price means the price actually paid by the consumer for any Wellements Product. The Attached Schedule of Wellements Products and **MSRP** and **MSAP** is subject to revision at the sole discretion of Wellements and will be available and distributed to retailers as revisions occur.

TERMS

All Wellements retail partners are free to sell Wellements products at a price they deem to be appropriate. However, if the price for any Wellements Product is advertised below the price established by the **MSAP**, the terms of this Policy will apply.

1. Any Wellements Products covered by the Policy cannot be discounted below the **MSAP**.
2. The Policy is in effect regardless of any claim by any retailer guaranteeing the lowest price, or stating they will beat any other retailer's price.
3. Any attempt to reduce the selling price of any Wellements Products, directly or indirectly, will be considered an attempt to undermine the Policy and will therefore be considered a violation of the Policy. Such attempts may include, but are not limited to:
 - Wellements specific rebates, volume incentives or any other discounting.
 - Any gifts or premiums associated with the purchase of any Wellements Products.
 - The offer by the retailer to pay sales tax for the consumer.
 - Offering retailer-specific loyalty points or frequent flyer miles, or similar considerations.
 - Any discounting of non-related products to offer a net price less than that established by the Policy.
4. Upon Wellements receiving notice of a violation of this Policy:
 - Wellements will cancel all orders by electronic mail notice and refuse to accept new orders for a period of 30 days for all Products and including but not limited to all of the retailer's locations or through all internet channels.
 - Upon notice of a second violation of this Policy, Wellements will cancel all orders by certified mail service and refuse to accept new orders for a period of 180 days for all Products and to all of the retailer's locations or through all internet channels.
 - Thereafter, upon notice of an additional violation of this Policy, Wellements will cancel by certified mail service all orders and refuse to accept new orders for any Products and the retailer will be removed from the approved lists of Wellements customers for any future orders.
5. Any Wellements Product that appears on the Internet or in printed material must be accompanied by the price for that product. Retailers may not omit the price, and instead substitute such terms as "Call for Special Pricing", "E-mail Us for Special Pricing", or any other language that implies a lower price or is designed to obscure the retail price. The retail price must appear with each

- Wellements Product. Additionally, the retail price must be at or above the price established by the Policy.
6. Honest mistakes or inadvertent errors may be considered a violation of the Policy. The actual circumstances, as determined by Wellements, will dictate Wellements's unilateral decision on handling these situations. Should it be determined that honest mistakes or inadvertent errors may have caused a violation of the Policy, on a one time basis only, then such Retailer will be given 24 hours to correct the violation of the Policy or be subject to the cancellation provisions.
 7. There is no appeal process for a finding of a violation to Wellements's unilateral Policy.
 8. This Policy may be modified at any time by Wellements and the Policy may be affected by promotions announced by Wellements or may change during promotional periods designated by Wellements. For periods of authorized Wellements promotion which will be defined and communicated in writing or by electronic notice, retailers may sell products below the **MSRP** but if sold below the **MSAP** then the provisions of the Policy will apply. Additionally, for periods of authorized promotion during which the prohibitions contained in paragraph 3 of this Policy are lifted, any such promotional campaigns cannot offer overall value on Wellements products which is below the **MSAP**.
 9. Wellements has also unilaterally adopted the policy that it will not conduct business with any retailer who sells the Products to any individual, persons, firms, or entities who are purchasing the Products for resale to any other persons except for consumer end users of the Products.
 10. This Policy is not intended to restrict in any way the manner in which our retailers market other product lines or in any way inhibit arrangements with other manufacturers.

