



June 9, 2014

Dear Valued Customer,

As Phylrich continues to maintain an image of quality for all its products and allowing our customers to maintain excellent value on the brand, we have established a minimum advertised pricing policy.

Effective June 15, 2014, promotional content for all Phylrich products must not contain an advertised price less than 20% off the published list price in the current Phylrich price book. Any information related to Phylrich products in any form of media, including but not limited to printed advertisements, promotional mailers, retail catalogs, broadcast faxes, radio and electronic media including web sites, is considered advertising for the purposes of this policy. Electronic mail sent in response to a specific consumer inquiry is not considered to be advertising.

Please note that advertised price means the net price after adjusting for all allowances, discounts, coupons, promotions, free merchandise, etc., but does not include sales tax, shipping or handling charges.

Phylrich customers remain free to resell our products at any price they wish. This policy addresses only advertised prices and does not relate to the actual resale price of the product. Any previously authorized agreements, either verbal or written; to resell Phylrich products will be considered null and void if the advertised minimum price policy is breached. This policy does not include liquidations, closeouts or discontinuations; Phylrich Management must authorize these prior to their publication.

All promotional advertisement including written or online using the Phylrich brand and trademark images must be approved and registered by Phylrich. Non-compliant distributors will result in discount reductions or closure and the removal of all Phylrich brand related trademarks and images.

Your continued business and success is important to us. Phylrich proudly manufacturers products of the highest quality and trusts that you will respect our efforts to protect our image. All information regarding this policy can only be discussed with Phylrich Management. For questions regarding this policy please direct them in writing to General Manager at the address below.