

FLAVOR PAPER, LTD
MINIMUM ADVERTISED PRICING POLICY – *Last Revised July 31, 2017*

Policy Goals:

Flavor Paper, Ltd. (“FP”) makes all of its products on-location, in Brooklyn, New York and is dedicated to promoting craftsmanship and the arts, along with providing purchasers of FP products with the finest products, painstakingly made. FP’s designs are either designed in-house or in collaboration with a number of artists who have chosen to work with FP, in part, because FP is a high-quality manufacturer and an outlet for creativity.

In order to achieve our goals, we believe it is important to empower our Resellers and Showrooms with proactive brand management. One way in which we do so for our Resellers and Showrooms is by protecting their investments, along with our brand identity, by setting forth and adhering to a Minimum Advertised Pricing Policy (the “MAP Policy”). FP has established the MAP Policy recognizing the fact that Resellers’ and Showrooms’ advertising and sales practices that promote FP products primarily on the basis of price could be detrimental to Resellers’ and Showrooms’ service and support efforts, as well as FP’s brand image and reputation. Such activities could also allow some Resellers and Showrooms to take advantage of the service and support efforts of others. FP’s hope is that the MAP Policy will minimize these potential inequities.

Definitions:

“Advertise” or “Advertisement” means the public promotion through print or electronic means of FP products for sale, and includes but is not limited to advertising via websites (including all website pages other than the page where a transaction is consummated, including those that can be viewed after obtaining a membership or entering a login), social media, third-party marketplaces, mobile applications, general discussion boards, blogs, auction sites, newsletters, catalogs, text messages, Email, newspapers, ad flyers, circulars, apps, television, radio, facsimile, or at shelf.

“MAP” means Minimum Advertised Price and is the price that FP displays on its website for each product that it sells. Such prices are subject to change from time to time and without prior notice to any other person. MAP can be checked at any time by accessing FP’s website at www.flavorpaper.com and searching for the item in question. Such prices are the minimum price that may be listed on any Advertisement in order to comply with FP’s MAP Policy.

“MAP Products” are the products FP displays on its website.

“Resellers” are FP customers who purchase FP’s products to inventory for resale to designers and consumers, directly from FP.

“Showrooms” are FP affiliates who specify FP’s products to designers and consumers, on FP’s behalf.

Minimum Advertised Price Policy:

FP has determined that it will not do business with any Reseller or Showroom, as to the products covered by this MAP Policy, if that Reseller or Showroom Advertises any MAP Product below its MAP. FP believes this MAP Policy will enhance its product offering and be of a substantial benefit to all of its customers, as a result of the increased transparency and

incentives to invest in the brand directed to Resellers and Showrooms. Nevertheless, each Reseller and Showroom must independently decide whether to comply with the terms of this MAP Policy.

The MAP Policy is also listed on the FP website at www.flavorpaper.com/terms and is subject to change, without prior notice.

Terms:

This MAP Policy is effective as of the date of its last revision, indicated in the header and/or the footer, and supersedes any previous advertised price policy. This MAP Policy does not constitute an agreement. FP does not require any Reseller or Showroom to agree to this MAP Policy, and FP does not solicit, nor will FP accept, any offer or agreement to comply or assurance of compliance with this MAP Policy.

This MAP Policy applies to all Advertisements of FP's MAP Products. FP recognizes that third parties are free to make their own decisions to advertise and sell any FP product at any price they choose, without consulting or advising FP. Similarly, FP will exercise its right to make its own decisions regarding this MAP Policy (and interpretation and enforcement thereof), supplemental marketing materials, point-of-purchase displays, product allocations, new product availability, or future promotional, "MAP holiday," joint marketing or sponsorship programs. This MAP Policy also applies to any activity which FP determines, in its sole discretion, is designed or intended to circumvent the intent of this MAP Policy.

For the avoidance of doubt, it shall not be a violation of this MAP Policy to Advertise in general that the Reseller or Showroom has "the lowest prices" or will match or beat competitors' prices, or to use similar phrases, so long as the Reseller or Showroom does not include any Advertised price below MAP and otherwise complies with this MAP Policy.

This MAP Policy applies only to Advertised prices and does not apply to the prices at which MAP Products are actually sold. Each Reseller and Showroom is free to determine its own sales prices for the MAP Products.

FP, in its sole discretion, will interpret and apply this MAP Policy as FP deems appropriate.

This MAP Policy is non-negotiable and will not be altered for any individual Reseller or Showroom. No FP sales representative, customer service representative or other FP employee is authorized to accept assurances of compliance with, grant exceptions to, or otherwise interpret this MAP Policy. Nothing in this MAP Policy prevents FP, in its sole discretion, from ceasing shipments of MAP Products or any other products to any Reseller or Showroom who conducts business in a manner inconsistent with this MAP Policy, or for any other reason. Any such enforcement of this MAP Policy will be taken in FP's sole discretion and is not subject to negotiation.