

## VALUE PROTECTION (VP) POLICIES FOR DEALERS SUPPLEMENTAL INFORMATION FOR MARKETING, SALES AND CUSTOMER SERVICE PERSONNEL

In an effort to help safeguard the reputation of Backrack, Inc. ("**BRI**"), insure the long-term viability of its brands and protect the investment of those Dealers that provide valuable services to end users, BRI, has adopted Value Protection (VP) Policies for Dealers (the "**Policies**") effective September 1, 2016.

### How the Policies Operate

The Policies (a) are applicable to each Dealer and consist of (a) a policy regarding minimum retail price (the "**Minimum Retail Price Policy**" or the "**MRP Policy**") and (b) a policy dealing with advertising and marketing (the "**Advertising and Marketing Policy**"). As used in the Policies, "**Dealer**" ("**Dealers**" in the plural) means an individual or entity located in either or both of the Canada and United States of America ("**U.S.**") that promotes and sells any or all products offered by BRI (in the plural, "**BRI Products**") to one or more end user purchasers (whether doing so directly or through another party that does such things as advertise or fulfill orders on behalf of such individual or entity).

The Minimum Retail Price Policy: (1) establishes a minimum retail price ("MRP") for various BRI Products (individually, a "**Covered Product**" and collectively, the "**Covered Products**") and (2) applies to the prices at which the Covered Products are offered and sold, regardless of the means used. In other words, although each Dealer is free to make its own pricing decisions, the MRP Policy applies both to the advertised or offer price, as well as the actual selling price. A violation of the MRP Policy occurs when a Dealer offers or sells a Covered Product below its MRP.

In addition, the Advertising and Marketing Policy requires that the use of Backrack intellectual property (such as trademarks and product images) and the depiction of BRI Products comply with Backrack policies. In addition, the A&M Policy, among other things, prohibits selling (1) outside Canada and the U.S., (2) online, except when using a website and business name approved by Backrack in advance and (3) to anyone for resale.

The Policies also may be violated through certain conduct, including such things as the use of particular terms, descriptions, conditions or offers.

### Consequences of Violations

For the first violation of the Policies, the Dealer involved will be asked to take down or stop the violative activity (assuming it can be) within the specified time, while subsequent violations result in the loss of access to some or all BRI Products either temporarily or permanently.

### Where You Come In

BRI has chosen to adopt and maintain the Policies as unilateral. This means that any sort of agreement regarding the Policies must be avoided.

To ensure that BRI complies with this approach, the Policies contain the following language:

*BRI will not discuss any conditions of acceptance related to these Policies. In addition, BRI neither solicits, nor will it accept, any assurance of compliance with these Policies.*

It is important to follow these provisions, so the following rules always should be observed:

(1) Do not discuss the Policies with any Dealer or anyone else outside of BRI. **All questions or requests for additional information from Dealers and anyone else should be in writing and directed to the person at BRI responsible for the Policy ("**Policy Administrator**"):**

**Policy Administrator**  
**Backrack, Inc.**  
**475 Wycroft Road**  
**Oakville, ON, L6K 2H2 Canada**  
  
**email: [policyadmin@backrack.ca](mailto:policyadmin@backrack.ca)**

Only the Policy Administrator or the Policy Administrator's designated representative(s) is or are authorized by BRI to answer questions regarding the Policies, to comment on the Policies or to accept information regarding potential violations.

(2) If you learn about an actual or suspected violation of the Policies, contact the Policy Administrator. BRI will investigate the matter and, if warranted, take appropriate action.

(3) If anyone (whether a Dealer or not) contacts you to complain about the pricing or other actions of a Dealer, ask the complaining party to put such complaint in writing and direct it to the Policy Administrator. You should inform such party that:

***All of the dealings of BRI with its Dealers, including the enforcement of its policies, are confidential. BRI will not discuss its relationship with its Dealers. However, the company enforces its policies uniformly.***

(4) In the event a violation is confirmed, do not discuss it with anyone, other than the Policy Administrator.

(5) Avoid statements like "Thanks for supporting the Policies," "All the other Dealers have accepted the Policies" or "We need to know that you will follow the Policies."

Remember, any discussion can be misunderstood. No two persons have an identical recollection of any particular conversation. The only way to make sure you don't inadvertently cross the line is to: (1) avoid any discussions about the Policies, (2) direct any person raising questions who works for a Dealer to the Policies and (3) ask a person raising questions or making comments (whether on behalf a Dealer or otherwise) to communicate with the Policy Administrator directly.

Since this is only a summary, please see the Policies for details.

If you have any questions now or later, please contact the Policy Administrator.

082916/3638780/2