

HEY DUDE INC.
MINIMUM ADVERTISED PRICE POLICY
Effective March 1, 2023

Hey Dude Inc. (“HEYDUDE”) has determined that certain advertising practices undermine HEYDUDE’s trade reputation, brands, and premium image within the target consumer population and discourage HEYDUDE’s resellers from investing in HEYDUDE’s product lines and providing the best possible service and support to consumers. Accordingly, to protect the integrity of the HEYDUDE™ brand, HEYDUDE has adopted this unilateral Minimum Advertised Price Policy (the “Policy”), which applies to all authorized resellers of HEYDUDE™ products in the United States of America.

The Policy applies to all advertisements of the HEYDUDE™ products listed on the HEYDUDE MAP Schedule, (“Covered Products”). The HEYDUDE MAP Schedule will be made available to all resellers and may be amended by HEYDUDE in its sole discretion at any time.

HEYDUDE is solely responsible for establishing the minimum advertised price (“MAP”) for each Covered Product and communicating the MAP to all resellers. The MAP for each Covered Product will be identified on the HEYDUDE MAP Schedule. While resellers remain free to advertise and sell all HEYDUDE™ products at any price they deem appropriate, it is a violation of this Policy for a reseller to advertise any Covered Product at a price lower than the MAP. Such advertisements include, but are not limited to:

- i. Offering coupons, discounts, reseller rebates, or other inducements that, when applied, result in a price lower than the MAP, including through use of a storewide sale, promotional code, or other similar provision that can be applied to Covered Products.
- ii. Bundling Covered Products with other products or services (whether made by or provided by HEYDUDE or another entity) in a manner that implies below-MAP pricing for the bundled Covered Product.
- iii. Strikeouts or strikethroughs of pricing information, “see price in cart,” or other statements that suggest that a lower price for a Covered Product may be found in the shopping cart or at the final online checkout stage.
- iv. Permitting any third party to alter the advertised price for any Covered Product.

Direct or indirect attempts to circumvent this Policy also violate this Policy; however, it is not a violation to advertise that a customer may “call for price,” “text for price,” or “email for price” as long as no price is listed and no automated call, text message, or “bounce-back” email is used in response.

For purposes of this Policy, the terms “advertise” and “advertisement” include all promotional or pricing information displayed via any type of media, including, but not limited to, newspapers, catalogs, magazines, flyers, brochures, television, radio ads, billboards, signage (except signs displayed within a brick-and-mortar selling location), websites, blogs, social media, affiliate marketing networks/comparison shopping engines, reseller-initiated text messages or emails to customers or prospective customers, mobile/smart phone applications, banner ads, online product

ads, paid search ads, pay-per-click ads, display ads, mobile ads, product listing ads, sponsored links, ads in any other media in a digital format that is communicated or conveyed via the Internet, and any other marketing or promotional materials, whether displayed online or through broadcast or other media.

Notwithstanding the foregoing, pricing information displayed at the final online checkout stage of a transaction is not considered “advertising” under this Policy. The “final online checkout stage” is the stage when the Covered Product is put into a shopping cart that contains the customer’s name, shipping address, email address, and payment information. Pricing information displayed in the “shopping cart” following submission by a prospective purchaser of a coupon code or promotional code shall likewise not be considered “advertising” under this Policy. Pricing information in the “shopping cart” or “checkout” stages must be obscured technically so that it is not retrievable by shopping and pricing engines, and not displayed on search page results within the reseller’s own website.

Finally, for avoidance of doubt, pricing and promotional information displayed inside a reseller’s brick-and-mortar selling location shall not be considered “advertising” under this Policy.

From time to time, HEYDUDE may announce MAP holidays or promotions that are applicable to all resellers, during which periods a reseller that advertises a Covered Product in accordance with the terms of the authorized promotion will not be deemed to have violated the Policy. HEYDUDE will notify all resellers of any such authorized promotions.

Further, the advertisement of free or reduced-price shipping is not a violation of this Policy as long as such offer applies to all or almost all other products offered by a reseller in the same product category.

This Policy does not constitute an agreement between HEYDUDE and any other entity. HEYDUDE neither solicits nor will it accept any assurance of compliance with this Policy from any reseller or other party. Each reseller must independently choose whether to comply with the terms of this Policy. This Policy is not negotiable and will not be altered for any individual reseller. This Policy applies only to advertised prices and does not affect the prices that a reseller may charge for HEYDUDE Products.

NON-COMPLIANCE

HEYDUDE will take the following actions against any reseller that fails to comply with this Policy with respect to the advertisement of any Covered Product:

- i. For a reseller’s first violation of the Policy, HEYDUDE will notify the reseller in writing of such failure.
- ii. For a reseller’s second violation of the Policy, HEYDUDE will notify the reseller in writing of such failure and will revoke its acceptance of any pending orders for Covered Products, cancel any pending shipments of Covered Products to the reseller, and not accept any new orders for Covered Products from the reseller for a thirty (30) day period.

- iii. For a reseller's third violation of the Policy, HEYDUDE will notify the reseller in writing of such failure and will revoke its acceptance of any pending orders for Covered Products, cancel any pending shipments of Covered Products to the reseller, and not accept any new orders for Covered Products from the reseller for a ninety (90) day period.
- iv. For a reseller's fourth violation of the Policy, HEYDUDE will notify the reseller in writing of such failure and will revoke its acceptance of any pending orders for Covered Products, cancel any pending shipments of Covered Products to the reseller, and not accept any new orders for Covered Products from the reseller for a one hundred twenty (120) day period.
- v. For a reseller's fifth violation of the Policy, HEYDUDE will terminate its business relationship with the reseller. HEYDUDE will revoke its acceptance of any pending orders and cancel any pending shipments to the reseller.

The Policy will be enforced by HEYDUDE in its sole discretion and without notice. Resellers have no right to enforce the Policy.

POLICY ADMINISTRATION

HEYDUDE may update, revise, suspend, terminate, reinstitute, or modify this Policy at any time in its sole discretion. HEYDUDE shall make any such modifications available to all authorized resellers. If HEYDUDE changes the MAP on any Covered Product, it will provide at least 14 days' notice to resellers before such change takes effect.

No HEYDUDE employee or agent, including a reseller's sales representative, is authorized to modify, interpret, or grant exceptions to this Policy; solicit or obtain the agreement of any person to this Policy; or otherwise discuss any aspect of this Policy with any reseller, including that reseller's or any other reseller's compliance with the terms of the Policy. Any questions about this Policy should be submitted in writing and directed to HEYDUDE's MAP Policy Administrator at MAP@heydude.com. HEYDUDE will accept no other form of communication from resellers regarding the Policy.

This Policy is effective March 1, 2023 and supersedes all prior HEYDUDE policies and/or representations regarding minimum advertised prices or resale prices for HEYDUDE™ products applicable to any reseller. To the extent that any provision, term, or agreement governing the relationship between HEYDUDE and any reseller may be construed in a manner that is inconsistent with the terms of this Policy, the terms of this Policy control.