



**SKULLCANDY, INC.  
UNITED STATES MINIMUM ADVERTISED PRICING POLICY**

Skullcandy, Inc. (“Skullcandy”) has determined that certain advertising practices undermine Skullcandy’s trade reputation, brand, and image within the target consumer population and discourage Skullcandy retailers from investing in Skullcandy’s product lines and providing the best possible service and support to consumers. Accordingly, Skullcandy has adopted this unilateral Minimum Advertised Price Policy (the “Policy”), which applies to all advertisements by retailers of Skullcandy’s products listed on Schedule 1 attached hereto (“Products”), which Schedule 1 may be amended, restated, supplemented, or otherwise modified by Skullcandy in its sole discretion from time to time.

Skullcandy is solely responsible for establishing the minimum advertised prices (“MAP”) set forth on Schedule 1. While retailers remain free to advertise and sell Skullcandy Products at any price they deem appropriate, it is a violation of this Policy for a retailer to advertise any Skullcandy Product at a price lower than the MAP. Such advertisements include, but are not limited to:

- i. Offering coupons, discounts, rebates, or other inducements at a price lower than the MAP, including through a use of a storewide sale, promotional code, or other similar provision that can be applied to Skullcandy Products.
- ii. Bundling Skullcandy Products with other products or services in a manner that results in below-MAP for the bundled Skullcandy Product.

Direct or indirect attempts to circumvent this Policy also violate this Policy. 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, website pages and banners, social media, emails, blogs, newspapers, catalogs, magazines, flyers, brochures, television, radio ads, billboards, and any other marketing or promotional materials, whether provided online or through broadcast or other media. All advertisements of MAP Product(s) must include the Skullcandy model name and, while including a price is not required, if a price is advertised, it must be at or above the MAP.

At no time during this MAP Program may the Retailer make any statements or other indications to circumvent this policy on its website in connection with any MAP Product(s) that indicates or implies that a lower price may be found at the online checkout stage, including, but not limited to, the following: “Click here for lower price”, “See Price In Cart”, “Log-in for price” , “Add to Cart for Lower Price”, “Check Cart for Lower Price”, “Mouse over for Price”, “Email for a better Price”, “Call for Price” or “Make us an offer”. Retailer may not “Strike thru” or “Mark thru” the price, unless the MAP compliant price is shown. Retailer may not post advertised price or allow price to be posted on third-party search engines or shopping lists. Retailer may advertise something similar to “Call for Availability”, “Call to Order”, “Call for Details”. Statements such as “To see product details, add to your cart” or “Log in to cart for more details” is permissible.

Skullcandy will take the following actions against any retailer that fails to comply with this Policy with respect to the sale of any Skullcandy Product:

- i. First violation - Skullcandy will send written notice of the violation, which starts the probation period of six months<sup>1</sup>.
- ii. Second violation – Skullcandy will place a seven-day shipping hold on the violating product(s).

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<sup>1</sup> Probation period starts from date of first violation letter and is product specific identified by SKU.

- iii. Third violation - Skullcandy will place a thirty-day shipping hold on the violating product(s).
- iv. Fourth violation - Skullcandy will place a ninety-day shipping hold on the violating product(s).

Although Skullcandy is not directing any retailer to require that its customers comply with this Policy, a violation of this Policy by any such third party will constitute a violation by the retailer.

This Policy does not constitute an agreement between Skullcandy and any other entity. Skullcandy neither solicits nor will it accept any assurance of compliance with this Policy from any retailer or other party. Each retailer 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 retailer. This Policy applies only to advertised prices and does not affect the prices that a retailer may charge for Skullcandy products.

The Policy will be enforced by Skullcandy in its sole discretion and without notice. No Skullcandy employee or agent 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 retailer, including that retailer's or any other retailer's compliance with the terms of the Policy. Any questions about this Policy should be submitted in writing and directed to Skullcandy's legal department. Retailers have no right to enforce the Policy.

Skullcandy is solely responsible for communicating the MAP to retailers of Skullcandy Products. If Skullcandy changes the MAP on any Product, it will provide at least 30 days' notice to retailers before such change takes effect. Skullcandy may update, revise, suspend, terminate, reinstitute, or modify this Policy at any time in its sole discretion. Skullcandy shall make any such modifications available to all authorized retailers.

This Policy is effective as of February 1, 2018  
Available at <https://rds.skullcandy.com/MAP/MAPPolicy>

**SCHEDULE 1**  
**Skullcandy United States Minimum Advertised Pricing Policy**