



Hydrofarm LLC

Minimum Advertised Pricing Policy

Hydrofarm LLC (Hydrofarm) reserves the right to maintain the integrity and enhance the value of Hydrofarm owned Brands by unilaterally instituting a program for the establishment and maintenance of **Minimum Advertised Price** standards, (MAP Policy). The purpose of the policy is to protect the price integrity and equity of our brands from *excessive discounting vs. MSRPs* (the manufacturer suggested retail price). This MAP Policy becomes effective on **July 20, 2022**.

Hydrofarm, by instituting this policy is showing support for all resellers and likewise expects all resellers to be diligent in conforming to this policy.

MAP Policy contains the following guidelines:

Brands covered under this MAP Policy are available to existing resellers under their Hydrofarm.com account in the "My Account" section of the site.

Hydrofarm will publish and/or make available for download under all reseller accounts, the Minimum Advertised Price for all products covered under this MAP Policy with the given effectivity date. Hydrofarm reserves the right to modify this MAP Policy in whole or in part at any time by notifying all resellers of such modification.

Third Party vendors who sell through Hydrofarm may implement MAP policies and Hydrofarm may, at its sole discretion, make these program documents and pricing available in a similar form. Hydrofarm will support enforcement of third-party MAP policies.

This MAP Policy applies to all advertisements of Hydrofarm brands and products listed on MAP list within any media. This includes flyers, coupons, mailers, newspapers, magazines, catalogs, mail order catalogs, e-mail newsletters, e-mail solicitations, internet or similar electronic media, television, radio, and public signage. This MAP Policy is not applicable to any in-store advertising that is displayed and only visible inside the physical store and is not distributed to any customer.

This MAP Policy applies only to advertised prices. This does not apply to the price at which the customer actually purchased or was offered to purchase the products.

Pricing listed on any website, app, or third-party domain at the direction of a reseller are considered an advertised price and subject to this MAP Policy.

This MAP Policy does not establish maximum advertised prices. All resellers may offer the products at prices in excess of MSRP.

This MAP Policy is solely at Hydrofarm's discretion. No employee or representative may modify or grant exceptions to this MAP Policy verbally. Hydrofarm has full authority to determine if a violation

has occurred and what remediation steps are required for the reseller to return to compliance with this MAP Policy. Resellers may report to Hydrofarm matters of non-compliance, but Hydrofarm will not discuss these findings or remediation with the reporting reseller.

Intentional or repeated failures to comply with this MAP Policy will result in actions unilaterally imposed by and may be taken by Hydrofarm with or without notice to the reseller. Any action taken by Hydrofarm for non-compliance by a reseller shall be without liability to Hydrofarm and without Hydrofarm waiving any rights with respect to the reseller accounts:

First transgression: Retailer will be notified in writing that they are out of compliance with the MAP Policy and have two (2) business days to comply.

Second transgression or continued violation: Retailer will be notified in writing that they are out of compliance with the MAP Policy and have two (2) business days to comply. Hydrofarm, in its sole discretion, may hold all pending orders until reseller complies with the MAP Policy.

Third transgression or continued violation subsequent to a continued violation: Retailer may be notified that they are out of compliance with our MAP Policy. All pending orders will be held until reseller complies with the MAP Policy. CIP incentives may be suspended for 30 days for the items deemed in violation once when ordering privileges are restored.

Any subsequent violation: Retailer may be notified that they are out of compliance with our MAP Policy. Hydrofarm will cancel all pending orders for the items deemed out of compliance, at Hydrofarm's sole discretion, and remove CIP incentives from all house branded products for a period of 180 days.

6/30/2022