

TO: Misfits Health Ltd. Resellers
FROM: Misfits Health Ltd.
RE: MINIMUM ADVERTISED PRICE POLICY
DATE: October 1st, 2023

Consumers have come to expect an exceptional brand experience from Misfits' products. That means whether visiting a retailer, or shopping online, consumers trust they will receive an exceptional interaction across all channels. In accordance with Misfits' high expectations and to best serve and support those consumers, Misfits is announcing a new Minimum Advertised Price policy ("MAP"). Misfits is adopting this MAP effective October 1st, 2023. Attached are the details governing the MAP. Please ensure all appropriate people in your organization receive this MAP. The current schedule of Minimum Advertised Prices is provided and attached as an addendum to this policy. The MAP is subject to change at any time by Misfits. You will receive at least thirty days' notice of any change to this MAP.

MISFITS

MINIMUM ADVERTISED PRICE POLICY

INTRODUCTION

Effective October 1st, 2023, Misfits has adopted the following Minimum Advertised Price policy ("MAP") applicable to all Misfits distributors, dealers and resellers located or operating in the United States (collectively, the "Resellers").

Misfits has determined that adoption of the MAP is a necessary component of its strategy to avoid distribution channel conflicts and to ensure that Misfits products are supported with appropriate marketing, prominent merchandising and product displays, pre-sale and post-sale customer service, education and stocking of sufficient product inventories to adequately service the local market. Misfits' strategy for promoting the brand relies heavily on its presentation as a high value, premium brand to consumers.

This MAP is unilateral, non-negotiable, and will not be altered for any Reseller. Each Reseller is free to independently decide whether or not to follow the MAP. All Resellers remain free to sell Misfits products at any price they choose in their sole and absolute discretion.

This MAP is subject to change at any time by Misfits, in its sole discretion.

COVERED PRODUCTS

This MAP applies to all products manufactured and distributed by Misfits (the "Covered Products").

This MAP also does not apply to any products designated by Misfits on its website www.misfits.health as being discontinued, closeouts, end-of-season, or other similar designation.

PRICE

The minimum advertised price for the Covered Products shall be the current manufacturer's suggested retail price ("MSRP") as established by Misfits and listed in the attached addendum.

POLICY

Displaying a price for a Covered Product below the MSRP in any of the following places is a violation of this MAP: any website, banner, sponsored link, or email. Additionally, prices that are below the MSRP for a Covered Product that are displayed in an internet search engine's results as a result of a Reseller's website or a Reseller-run store or at online merchants such as Amazon.com, Walmart.com or eBay.com is also a violation of this MAP. It is a violation of this MAP for resellers to pass along price discounts from Misfits distributors in the form of online advertised pricing below MSRP.

Examples of permissible advertising:

- Using shopping-cart technology where the discounted pricing is neither able to be picked up as a search-engine result nor shown to the general public without adding the product to your shopping cart. Language such as “see price in cart” or “add to cart for lower price” is permissible.
- Advertising that instructs a customer to “call for price” or “email for price” or other similar language, so long as no price is listed.
- Creating a password-protected section on your website where the discounted pricing is neither able to be picked up as a search-engine result nor shown to the general public.
- In-store advertising or direct promotions to pre-existing customers.

MAP EXCEPTIONS

The exceptions to the MAP are as follows:

- This MAP does not apply to special promotions as announced by Misfits.
- Free shipping may be advertised to customers to provide a discounted total price.
- Coupons, buy-one-get-one’s (“BOGOs”), and other conditional sales events that require the customer to perform a qualifying action are permitted with the advance permission of Misfits. Please submit requests for upcoming sales with details to [Misfits](#) and we will respond within two business days if we have any questions. Please give us as much advance notice as possible so we can review your request.
- Loyalty or award programs when the award is based on “points” and not equated to a specific dollar denominated benefit or credit.

VIOLATIONS

First violation:

If Misfits determines that a Reseller has advertised any Covered Product at a price below the MSRP, or that a Reseller has sold any Covered Product to any other person or entity which has advertised at a price below the MSRP, Misfits may take one or more of the following steps:

Step 1: The Reseller will be notified in writing of the violation with a Cease and Desist letter. The Reseller will have five calendar days to correct the violation and come into compliance with the MAP.

Step 2: If the Reseller fails to correct the violation within five calendar days from the date the written notice was provided, Misfits will immediately suspend sales to the Reseller of the item or items being advertised below the MAP price. The suspension will last for a period of thirty calendar days.

Step 3: Following the end of the thirty day period referenced in Step 2 above, and provided that the Reseller did not otherwise violate the MAP during the thirty day suspension period, Misfits will reinstate the Reseller to full status. If the Reseller continues to be in violation of the MAP at the end of the thirty day suspension period, it will be considered a second violation.

Second violation:

If a second violation of the MAP by the Reseller occurs in a twelve month period, the Reseller will be notified that if the violation is not corrected within twenty-four hours, Misfits will immediately cease doing business with the Reseller.

Note:

This MAP is not intended to restrict Misfits' rights to manage its distribution channels and to make and change its decisions regarding Resellers and others with whom it will do business. Among other things, depending on the severity of the violation and the response of the Reseller when advised of a violation of this MAP, Misfits may deem it appropriate to bypass some or all of the steps above and immediately cease doing business with the Reseller.

NO AGREEMENT

This MAP does not constitute an agreement between Misfits and any Reseller. Compliance with this MAP does not evidence any kind of agreement between a Reseller and Misfits.

Resellers are free to independently determine the price at which such items are advertised or sold.

The MAP is confidential and Misfits requests that no Reseller disclose the terms and conditions of this MAP.

Misfits sales representatives are NOT permitted to discuss this MAP or make any agreements or assurances with respect to this MAP. Please direct questions to: Katie Bowry, Chief Commercial Officer.

MISFITS * MAP PRICE LIST *

| Product | Price (USD) |
|---|-------------|
| Misfits Plant Powered Protein Bar - Chocolate Caramel – 12 count | \$29.99 |
| Misfits Plant Powered Protein Bar - Chocolate Cookie Butter – 12 count | \$29.99 |
| Misfits Plant Powered Protein Bar - White Choc Cookies & Cream – 12 count | \$29.99 |
| Misfits Plant Powered Protein Bar - Chocolate S'mores – 12 count | \$29.99 |
| Misfits Plant Powered Protein Bar - Chocolate Caramel – Single Bar | \$2.79 |
| Misfits Plant Powered Protein Bar - Chocolate Cookie Butter – Single Bar | \$2.79 |
| Misfits Plant Powered Protein Bar - White Choc Cookies & Cream – Single Bar | \$2.79 |
| Misfits Plant Powered Protein Bar - Chocolate S'mores – Single Bar | \$2.79 |