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## ELECTRONIC MINIMUM ADVERTISED PRICE (EMAP) POLICY FOR THE UNITED STATES

Principle Business Enterprises, Inc. ("PBE") has unilaterally determined to implement the following Electronic Minimum Advertised Price (EMAP) Policy for the United States ("Policy") effective as of March 25, 2025 (the "Policy Effective Date"), which is applicable to each PBE-authorized dealer advertising to end users in the United States of America ("USA") (individually, a "Dealer" and collectively, "Dealers") with respect to each of the PBE products for which an electronic minimum advertised price ("EMAP" and referring to either the singular or the plural or both, "EMAP(s)") is specified on the price list(s) or product list(s) provided or otherwise made available to such Dealer by PBE or otherwise communicated by notice from PBE or the Dealer's distributor to such Dealer (individually, an "EMAP Product" and collectively, the "EMAP Products").

**Purpose.** The products sold by PBE are of high quality with a premium image for excellence and innovation earned through extensive product and market development activities and superior service. In an effort to protect the reputation of PBE, ensure the long-term viability of its brands and help protect the investment of those Dealers that provide valuable services to end users, PBE has adopted this unilateral Policy to be administered and enforced by PBE at its sole discretion. This Policy applies strictly to advertised prices. It does not create minimum resale prices or in any way restrict the Dealer's ability to determine its own advertised or resale prices. Moreover, this Policy is not intended to prohibit any Dealer from providing below-EMAP quotations on an individual basis in response to a specific request for quotation to an individual customer, provided such response is not automated and is given by person-to-person communication. "Person-to-person communication" means verbal and non-automated communications with a customer by telephone or in the Dealer's store. Dealers may indicate on their websites that customers may contact the Dealer directly for a price quotation. Statements such as "call for price," "call for quote," "click for price," or phrases of similar import are acceptable as long as the price advertised or listed for the EMAP Product is not less than EMAP.

**Application.** Except as otherwise expressly stated in this Policy, it applies: (a) only to the price(s) at which any or all of the EMAP Products is or are offered and not to actual sales price(s), so **each Dealer remains free to sell at any price(s) it chooses** and (b) to all forms of Electronic Content (as defined below) containing Price Information (as defined below), regardless whether consisting of advertising, promotion, proposal, quotation or otherwise (individually and collectively, an "offer" and its variants) made available by or on behalf of a Dealer for any or all of the EMAP Products (collectively, "Electronic Advertising"). Not all PBE products are subject to this Policy. This Policy only applies to the EMAP Products listed below. PBE reserves the right to unilaterally modify or suspend the EMAP with respect to all or certain EMAP Products at its sole discretion upon seven (7) days' notice on its website. This Policy does not apply to signage or other Price Information (as defined below) displayed within a brick-and-mortar selling location. There is no agreement, side agreement, or any mutual decision between any Dealer or other entity and PBE to resell, market, and/or advertise at any price.

For purposes of this Policy: (a) "**Price Information**" means information regarding price, whether, express or implied (e.g., "price too low to show," "so low we can't advertise," "sale price," "instant rebates," and so forth), such as a discrete price, price formula, reference to price or anything related to price (e.g., representations or inferences regarding savings, discount, rebate, allowances, deductions, credits, charges, promotions, free goods or services offered with the product, or value) and anything which PBE considers to be the substantive equivalent and (b) "**Electronic Content**" means information which (i) can be accessed directly through any hypertext link, by any other method which uses hypertext transfer protocol (http) or anything which PBE considers to be the substantive equivalent or (ii) to the extent not covered by the preceding description, is provided by or on (A) one or more mobile apps or mobile sites for devices (such as tablets and smartphones), (B) social media (e.g., Twitter feeds and Facebook), (C) Internet shopping sites, marketplaces and comparison search engines (CSEs) to which the Dealer supplies pricing information (e.g., Google Shopping, Buy.com, eBay, Amazon and PriceGrabber), (D) electronic solicitations or other communications (e.g., SMS (text) messaging, instant messaging, webcasts, e-mail and online or other electronic chats), or (E) any other forms of electronic media advertisements (e.g., e-mail newsletters, pop-ups and banners and caller-on-hold and other audio recordings) currently known or created in the future. **When applied to websites, this Policy considers Price Information appearing or otherwise conveyed both outside-the-cart (or other container) and in-the-cart (or other container) to be subject to this Policy. Notwithstanding the foregoing, this Policy does not cover Price Information displayed at the "Final Online Checkout Stage" (which is when**

the EMAP Product is put into an online shopping cart or other container that contains the customer's name, shipping address, email address, and payment information for a transaction). Please note that Price Information in the Final Online Checkout Stage must be obscured technically so that it is not retrievable by shopping and pricing engines and not displayed on search page results within the Dealer's own website. This Policy does not establish maximum advertised prices. All Dealers may offer EMAP Products in excess of the EMAP for each EMAP Product.

The EMAP for EMAP Products will be determined by PBE and communicated to Dealers of the PBE price list which can be found on PBE's website at <https://tranquilityproducts.com/currentEMAPpolicy>. A hard copy may be made by contacting the PBE MAP Administrator below.

**Violations of this Policy.** Although each Dealer remains free to establish its own advertised and resale prices, PBE, without assuming any liability, will take the following actions following verification by PBE to its satisfaction that such Dealer has violated this Policy by using any form(s) of Electronic Advertising to offer one or more of the EMAP Products during the Policy Period (as defined below) at a net adjusted price less than the corresponding EMAP(s) established by PBE from time to time and communicated to such Dealer:

**For the first violation during the Policy Period:** Written notice.

**For the second violation during the Policy Period:** Written notice and a 30-day shipping hold for all Tranquility- and Swimmates-branded products. This means that PBE will revoke its acceptance of any pending orders, cancel any pending shipments to such Dealer, and not accept any new orders from such Dealer during this 30-day period.

**For the third violation during the Policy Period:** Revocation of authorization of such Dealer to purchase all Tranquility- and Swimmates-branded products, so that all pending orders (even if accepted) from such Dealer will be canceled and no new orders will be accepted from such Dealer for any or all of such products.

PBE will enforce this Policy in its sole discretion. Dealers have no right to enforce this Policy. Each violation of this Policy is cumulative through the Policy Period. The consequences of the third violation take effect regardless of whether the second violation's consequences are still running. The same act(s) or failure(s) to act may result in multiple violations. For each Dealer purchasing any or all PBE products from one or more distributors, this Policy will be enforced through a Do-Not-Sell List provided to all distributors. For purposes of the Policy, "Do-Not-Sell List" means a notice from PBE which indicates that (a) one or more individuals or entities is or are not authorized by PBE to promote or resell any or all PBE products or (b) the authorization of a Dealer to promote and sell PBE products has been revoked in whole or part with respect to all such products or revoked only with respect to certain of such products.

**Certain Definitions.** For purposes of this Policy: (a) the "Policy Period" with respect to a Dealer means the time period beginning on the Policy Effective Date and ending on the termination date described in a future notice to such Dealer from PBE and (b) "**net adjusted price**" means the price at which an EMAP Product is offered by or for the benefit of a Dealer to a customer (potential or actual) after (i) applying all discounts and similar price reductions, (ii) excluding certain taxes and shipment charges and (iii) giving effect to the value of free or reduced-price bundles. Specifically, net adjusted price will be calculated by:

- taking into account all discounts, deductions, rebates and allowances offered or otherwise made available to such customer (regardless of source, whether given or taken at the time of sale or otherwise and considered by PBE to be part of such offer or sale); except that an offer using or applying a rebate, coupon or the equivalent (as determined by PBE) will not be considered part of net adjusted price if such rebate, coupon or the equivalent is provided by PBE or its designee(s) (A) directly to such customer or (B) to such Dealer for provision to and use by such customer;
- excluding, if to be paid by such customer, all applicable taxes and all shipping, delivery and insurance charges (however, if such Dealer offers to pay any or all of such taxes and such charges that otherwise would be paid by such customer, the amount so offered by such Dealer will be considered a discount, except as otherwise provided in this Policy);
- subtracting, in the case of free goods, services and similar benefits for such customer provided or made available by such Dealer, the fair market value (as determined by PBE) of all such goods, services and benefits (regardless of source, whether given or taken at the time of sale or otherwise and considered by PBE to be part of such offer or sale); and
- subtracting, in the case of reduced-price goods and services and similar benefits for such customer provided or made available by such Dealer, the difference between: (A) the fair market value (as determined by PBE) of all such goods, services and benefits (regardless of source, whether given or taken at the time of sale or otherwise and considered by PBE to be part of such offer or sale) and (B) the amount to be paid for such goods, services and benefits.

The fair market value for each EMAP Product provided for free or at a reduced price with the purchase of another EMAP Product will be its EMAP. From time to time, PBE may communicate to a Dealer in writing or electronically what it considers to be the fair market value for particular goods or services.

**Electronic Minimum Advertised Price.** PBE, at any time, may vary the EMAP for an EMAP Product or add to or delete any or all of the EMAP Products, which may, among other things, be based on whether such product(s) is or are offered or sold under or subject to one or more select PBE program(s) or any other PBE policy or in any other situation announced by PBE from time to time. PBE will endeavor to provide prior notice of each new EMAP or such change in the EMAP Products, generally not less than five (5) days in advance. While PBE will communicate each EMAP and such change through the price list(s) or product list(s) provided or made available to each Dealer electronically or otherwise, such Dealer is responsible for making sure that it is aware of the appropriate EMAP(s) and the EMAP Products in each circumstance.

Item #	Product Description	UPC #/UCC #	EMAP Price
2113	Tranquility® Premium OverNight™ Disposable Absorbent Underwear	00070319021133	\$63.00
2114	Tranquility® Premium OverNight™ Disposable Absorbent Underwear	00070319021140	\$63.00
2115	Tranquility® Premium OverNight™ Disposable Absorbent Underwear	00070319021157	\$63.00
2116	Tranquility® Premium OverNight™ Disposable Absorbent Underwear	00070319021164	\$63.00
2117	Tranquility® Premium OverNight™ Disposable Absorbent Underwear	00070319021171	\$63.00
2118	Tranquility® Premium OverNight™ Disposable Absorbent Underwear	00070319021188	\$63.00
2119	Tranquility® Premium OverNight™ Disposable Absorbent Underwear	00070319526218	\$77.50

**Additional Restrictions.** A Dealer (directly or through another party on behalf or for the benefit of such Dealer) using or engaging in any or all of the following terms, descriptions, conditions, offers or activities (or the substantive equivalent of any or all of them as determined by PBE) in connection (directly or indirectly) with the offering of any or all of the EMAP Products (or, if so noted below, any or all PBE products, regardless whether it or they are one or more of the EMAP Products) will be deemed to be a violation of this Policy with the same effect as offering each of the EMAP Products in connection with such use at less than its EMAP:

- offering coupons, discounts, rebates or other inducements that, when applied, result in an advertised price lower than the EMAP, including through use of a storewide sale, department-wide sale, category-wide sale, website-side sale, promotional code, or other similar provisions that can be applied to the EMAP Products;
- bundling EMAP Products with other products or services (whether made by or provided by PBE or another entity) in a manner that implies the net adjusted price is below EMAP for the bundled EMAP Product(s);
- except as otherwise expressly permitted by this Policy, offering to match a lower price offered by another dealer;
- offering a discount, coupon or rebate applicable to any or all of the EMAP Products in return for a Facebook “Like”;
- if a price for an EMAP Product is shown in Electronic Advertising permitted by this Policy on both of the initial webpage or product page and in-the-cart or other container (or the substantive equivalent of any or all of such page, cart or container as determined by PBE) and such price varies with respect to such product exclusive of applicable taxes and all shipping, delivery and insurance charges;
- strikeouts or strikethroughs of Price Information, “see price in cart,” or other statements that suggest a lower price for an EMAP Product may be found at the Final Online Checkout Stage;
- except as otherwise directed by this Policy, on any or all proposals and quotations provided to or prepared for the benefit of any or all of such Dealer’s potential and actual customers in connection with the offer of any or all of the EMAP Products (individually and collectively, “Customer Communications”), the failure of such Dealer to itemize the price charged for each of the EMAP Products and services shown or referred to on such Customer Communications, regardless whether such Customer Communications contain(s) any reference to any or all of the EMAP Products; and
- EMAP Products can be advertised only in full manufacturer case quantities or in manufacturer’s bag quantity.

**The Exemptions.** As long as a Dealer does not otherwise violate this Policy, such Dealer using Electronic Advertising to offer to a potential or actual customer one or more of the EMAP Products after the Policy Effective Date below its or their respective EMAP(s) is exempt from this Policy and will not violate it, if such offer is consistent with an exemption described in this Policy (collectively, the “Exemptions”). The Exemptions are as follows:

- free or reduced-price shipping may be offered by a Dealer without it being considered to be a discount when offered in connection with a purchase that includes at least one of the EMAP Products, as long as: (a) such offer applies to all other products in the category in which such EMAP Product(s) reside (as determined by PBE) and (b) the value thereof is reasonable (as determined by PBE);
- bona fide advertising and promotional materials that cannot reasonably be modified prior to the Policy Effective Date or the effective date of a change in the EMAP(s), the EMAP Products or this Policy until such time that it is reasonable to revise such materials (as determined by PBE) to be consistent with this Policy;
- the offer of one or more of the EMAP Products based on a bona fide proposal or quotation given prior to the effective date of a change in the EMAP(s), the EMAP Products or this Policy which makes such proposal or quotation non-compliant with this Policy (as long as, if this Policy was in place at the time such proposal or quotation was made or given, it complied with this Policy); provided that (a) such proposal or quotation is effective for no longer than ten (10) days after the effective date of such change and (b) each of the EMAP Products subject to such accepted proposal or quotation will be delivered to such customer no later than thirty (30) days after such acceptance;
- the offer under one or more EMAP holidays or promotions (if any) designated by PBE; such offer will not be considered to have violated this Policy so long as it is in compliance with the terms of the EMAP holiday;
- (a) a card benefit consisting of a discount, credit or rebate associated with the use of a specified credit or debit card or (b) a coupon or other discount that in either case would after its application result in offer price(s) for any or all of the EMAP Products below its or their respective EMAP(s), as long as (i) such card benefit or coupon or other discount may be applied to all or almost all of the products offered by such Dealer or, in the case of a category-wide sale (such as incontinence products), all or almost all of the other products in the category and (ii) none of the statements or materials promoting such card benefit or coupon or other discount mentions, uses, depicts or otherwise refers to any or all of the EMAP Products;
- the accrual of "points" or other things of value ("Loyalty Points") in connection with the purchase of any or all PBE products and the application of Loyalty Points, even if such application results in price(s) for any or all of the EMAP Products below its or their respective EMAP(s), as long as: (a) Loyalty Points may be accrued and applied to all or almost all of the products offered by such Dealer and (b) the everyday accumulation rate for Loyalty Points applicable to the purchase of any or all PBE products is no more than that applicable to all other brands of products offered by such Dealer (regardless of category), except that such Dealer may offer for a reasonable, limited time or times a greater accumulation rate applicable to the purchase of any or all PBE products, provided that such offer applies to one or more products of at least one other brand in the same category as such PBE product(s); and
- the offer to an employee of such Dealer for his or her personal use (and not for resale), provided that such offer is reasonable (as determined by PBE).

**Additional Policy Terms and Conditions.** Effective as of the Policy Effective Date, this Policy supersedes and cancels all other policies from PBE, if any, regarding minimum advertised prices and resale prices or either thereof for any and all PBE products applicable to a Dealer. For any reason(s) deemed appropriate by PBE, this Policy may be modified, extended, waived, suspended, discontinued or rescinded in whole or part by notice from PBE at any time (including without limitation during any PBE-designated promotional period(s)), with such action(s) effective immediately or as otherwise described by PBE. If PBE negotiates a price with a customer that is less than the EMAP(s) and provides a Dealer the opportunity to offer to fulfill one or more orders at such price, acceptance by such Dealer of such opportunity will not constitute a violation of this Policy.

Regardless whether expressly indicated in this Policy, each notice referred to herein: (a) may, as determined by PBE, be given in writing or electronically (including without limitation posting on a website) and (b) will be considered to be received as designated by PBE. The Explanation (which also may be referred to as "Frequently Asked Questions," "FAQs" or the equivalent as determined by PBE), if any, accompanying or associated with this Policy is intended to help answer questions in connection with it, but is not part of this Policy. In the event of any disagreement over the interpretation or enforcement of this Policy, the view of PBE will control.

Each Dealer is free to independently decide whether or not to follow the Policy. PBE will not discuss any conditions of acceptance related to this Policy. In addition, PBE neither solicits, nor will it accept, any assurance of compliance with this Policy. Notwithstanding anything to the contrary which may be expressed or implied in or by one or more agreements between a Dealer and PBE, nothing therein shall constitute an agreement by such Dealer to comply with this Policy, as, among other things, this Policy is not and should not be construed to be one of the PBE policies as such term is or may be used in any or all of such agreements for which compliance is mandatory. This Policy is not negotiable and will not be altered for any individual seller.

PBE SALES PERSONNEL OR OTHER EMPLOYEES HAVE NO AUTHORITY TO MODIFY, INTERPRET, OR GRANT EXCEPTIONS TO THIS POLICY; CANNOT SOLICIT OR OBTAIN THE AGREEMENT OF ANY PERSON OR ENTITY TO COMPLY WITH THIS POLICY; AND CANNOT OTHERWISE DISCUSS ANY ASPECT OF THIS POLICY WITH ANY DEALER,

INCLUDING ANY DEALER'S COMPLIANCE WITH ITS TERMS. No external complaints or reports concerning this Policy are solicited by PBE, nor will any such external complaints or reports be used by PBE as a basis for enforcement of the Policy.

**Questions, Additional Information, or Information Regarding Potential Violations**

All questions or requests for additional information regarding this Policy (which must be in writing) are to be addressed to the person at PBE responsible for this Policy (the "Policy Administrator"):

Policy Administrator  
Principle Business Enterprises, Inc.  
20189 Pine Lake Road  
P.O. Box 129  
Dunbridge, OH 43414 USA

e-mail: [policyadmin@pbenet.com](mailto:policyadmin@pbenet.com)

PBE will not accept any other form of communication from Dealers regarding this Policy. Only the Policy Administrator or the Policy Administrator's designated representative(s) is or are authorized by PBE to answer questions regarding this Policy, to comment on this Policy or to accept information regarding potential violations.

## THE EXPLANATION

### Can I still offer discounts?

Discounts applied at the Final Online Checkout Stage (as defined in the EMAP policy) do not violate PBE's EMAP policy; however, openly advertising prices lower than the specified amount of \$63 does violate the policy. In simpler terms, while the final price displayed in the shopping cart may be below \$63, product detail pages, homepage, and advertisements cannot exhibit the paramount product price as less than \$63.

For instance, showcasing a product on Google Shopping with a price tag of \$62 would constitute a violation. Conversely, if a visitor navigates to your website, adds a product to their cart, enters the Final Online Checkout Stage, and sees a \$1 discount applied, resulting in a final price of \$62, there is no violation.

### Does EMAP apply to cases and bag quantities?

Currently, our EMAP policy solely pertains to cases.

### Can I bundle products?

Bundling products does not violate the policy if the net adjusted price (as defined in the EMAP policy) remains above the EMAP threshold.

### Can I list unique quantities?

No, only quantities specified by the manufacturer—either bag or case quantities—may be recorded.

Item	Size	Waist/Hip	Weight	Capacity	Case Count
2113	XS/Youth Large	17" - 28"	65 - 85 lbs	20.3 oz/600 mL	88 (4 bags of 22)
2114	Small/Youth X-Large	22" - 36"	80 - 125 lbs	20.3 oz/600 mL	80 (4 bags of 20)
2115	Medium*	34" - 48"	120 - 175 lbs	34.0 oz/1005 mL	72 (4 bags of 18)
2116	Large*	44" - 54"	170 - 210 lbs	34.0 oz/1005 mL	64 (4 bags of 16)
2117	X-Large*	48" - 66"	210 - 250 lbs	34.0 oz/1005 mL	56 (4 bags of 14)
2118	2XL/Bariatric*	62" - 80"	250+ lbs	34.0 oz/1005 mL	48 (4 bags of 12)
2119	3XL/Bariatric*	75" - 95"	250+ lbs	34.0 oz/1005 mL	40 (4 bags of 10)