



Minimum Advertised Price (MAP) Policy Effective January 1, 2004

Galco International, Ltd is committed to vigorously upholding our public image as the industry leader in the manufacture of high quality leather concealment holsters and accessories. A strong brand image contributes to our long-term success, while certain consumer advertising and promotional practices that are inconsistent with our distribution and marketing policies can degrade the marketability of our product and undermine our position in the market.

Galco also recognizes that its Dealers/Distributors must earn sufficient profits in order to attract, retain and train staff competent to provide the consumer with informed consultation and a professional level of service in the selection, fit and function of Galco products. Because we have determined that these requirements are undermined by any media advertising of Galco product priced below a minimum level, in particular but not limited to Internet advertising by Dealers/Distributors who do not incur all of the costs of Dealers/Distributors who provide these valuable services, Galco International, Ltd has unilaterally adopted the following Minimum Advertised Price (MAP) Policy:

- If Galco International, Ltd becomes aware of any advertising in which a Dealer/Distributor advertises Galco product directly or indirectly to the end user at prices below the minimum advertised prices in effect at the time, Galco WILL terminate any and all of that Dealer/Distributor's orders, cease any pending shipments to the Dealer/Distributor, and/or may, at its discretion, terminate the Dealer/Distributor relationship. Minimum Advertised Prices are those Manufacturer's Suggested Retail prices less 20% as listed on the current Galco Mail Order Price List
- "Advertising" or "advertise" as used in this policy refers to advertising disseminated via signs, catalogs, flyers, newspapers, magazines, radio, television, the Internet and other mass media. Advertising on the Internet includes advertising on any page of any Internet site or Auction site. Inconsistent with this policy is any advertising that can reasonably be read to imply prices on Galco products below the minimum advertised prices, such as "25% off all products," "call for price," "Buy one, get one free." In the case of advertising such as "All holsters 30% off," it will be necessary to specifically exclude Galco products in the copy. In the case of a "real property" brick and mortar store, the Galco MAP does not apply to store windows, signs attached to the outside of the store, nor does it apply to other in-store advertising. The MAP does apply to Independent freestanding billboards and temporary gun show booths or space. Distressed, discontinued, special makeup or factory second products do not have a Minimum Advertised Price. They must, however, be identified as "discontinued" or "seconds" in any advertising.
- This MAP policy in no way affects the prices at which Dealers/Distributors may sell Galco products. It is directed solely to the prices at which Dealers/Distributors **advertise** those products to the consumer market. Dealers/distributors, of course, remain free to sell Galco products at whatever prices they choose.
- This is a unilateral policy of Galco International, Ltd, and shall not be construed as a contract or agreement with any Dealer/Distributor. Galco reserves the right to choose the retailers with whom it does business, and the right to accept or reject any order in whole or in part. Galco International also reserves the right to modify this policy or to terminate this policy at any time.
- Galco International markets its products through multiple avenues. In accordance with Galco International's MAP Policy, Authorized Distributors who sell wholesale shall disseminate Galco International's MAP Policy to Dealers purchasing from such wholesale Distributors. Galco International may terminate its relationship with any wholesale Distributor who sells to a Dealer who violates Galco International's MAP Policy.

Any questions regarding this policy should be in writing and should be directed to Galco International LTD. MAP Dept. 2019 West Quail Avenue, Phoenix, AZ 85027.