



**Covercraft Industries Business Conduct Policy**  
**Period: March 2021 until Further Notice**

This document serves as an update to the Business Conduct Policy (“BCP”) first implemented June 1<sup>st</sup>, 2005, by Covercraft Industries, LLC (“Covercraft”). The BCP covers all product lines of Covercraft, including but not limited to, ADCO Products (“ADCO”), Carver Industries (“Carver”), and Covercraft branded and licensed products. There will be a yearly published addendum that identifies promotional periods, product line additions and/or restrictions as they apply. Covercraft reserves the right to add additional product lines to the BCP at their sole discretion.

Covercraft is committed to producing high-quality products that our customers will be proud to carry and resell. We believe that there is a direct correlation between the price of a product and its perception by consumers, and that the advertised pricing of Covercraft products, other than in accordance with the BCP, will negatively impact Covercraft’s reputation, public perception of the quality of Covercraft products and Covercraft’s ability to provide comprehensive warranty and support services. Accordingly, Covercraft feels it is necessary to maintain a minimum level of advertised prices for our products that are sold to the retail consumer and to only do business with those customers who share our views with regard to the values and prices of our products.

Therefore, we have instituted the following Business Conduct Policy:

Covercraft will advise each of our customers, in writing, of the “Jobber Price”, “MAP” or “MSRP” for each of our covered Product Lines. Our customers are free to sell our product at whatever price they choose. However, Covercraft reserves the right to unilaterally cease to do business with any customer who chooses to advertise our products at prices that, at Covercraft's sole discretion, jeopardize the perception of Covercraft as being a high-quality manufacturer. Advertising or selling Covercraft's products to the retail consumer at prices below “Jobber”, “MAP” or “MSRP” is one example of pricing that we believe undermines the perception of the Covercraft brand. Continuous use of rebates, allowances, or other promotional considerations that effectively reduce the advertised price below “Jobber”, “MAP” or “MSRP” are other examples. Such cessation of business, whether for a suspension period or a permanent termination, may be made by Covercraft without any prior notice and may be made at Covercraft’s sole and absolute discretion. Covercraft may also choose to resume sales to such customer at a later date at its sole and absolute discretion. Each product line may have additional restrictions that may be found in the individual addendums.

Customers are required to update their sales and marketing materials (catalogs, price lists, websites, advertisements, etc.) to reflect any changes Covercraft makes to product information or promotional copy to promote good, accurate, end-consumer communication. Customers are also required to ensure that Covercraft products are offered in keeping with national, state, and local laws such that product disclosures (for California Proposition 65 for example) are displayed in a clear manner in keeping with regulatory requirements.



Customers are required to adhere to Covercraft’s updated Brand Guidelines for all Covercraft lines.

“Jobber”, “MAP” and “MSRP” prices are set for the US dollar. For products sold outside of the United States, all pricing shall be converted and adjusted using the current in-country currency value versus the US dollar at the time of the advertisement placement.

Covercraft also reserves the right to lower or suspend the “Jobber”, “MAP” or “MSRP” of any product that may become discontinued, overstocked or obsolete.

### **SALES PROMOTIONS**

For products covered under the Covercraft Business Conduct Policy, Covercraft customers are afforded promotional sales opportunities that will be defined and distributed by Covercraft as an addendum every year. Such promotional periods will be outlined as to the product lines, amount of discount allowed, and any additional details of such promotions.

Covercraft also reserves the right to add additional sales promotional periods during the year at its sole discretion.

Under no circumstance, whether the promotion encompasses a giveaway or a discount, should the value of the promotion exceed the allowed discount published by Covercraft.

Incentives/giveaways (flashlight, tool kit, car duster, polish/wax, gift cards to be used for future purchase, etc.) for a site-wide or company-wide promotion, not specifically related to Covercraft products only and outside of a Covercraft authorized promotion, will be allowed when packaged and shipped to the consumer at your expense. **\*\*No Covercraft items qualify for or may be included as a giveaway during a site-wide or company-wide incentive promotion. Promotions cannot piggyback, i.e. cannot give away a free cable lock and/or bag with a price discount in the same promotion.**

Examples of available sales incentive programs would be: a free cable lock kit or storage bag with Custom Car Cover orders, an add-on accessory or item not covered under the BCP, or a discount of the sale price not to exceed the allowed percentage reduction price of the promoted product.

### **INTELLECTUAL PROPERTY**

Covercraft is the owner of numerous trademarks including, but not limited to, the trademarks listed in the individual product line addendums hereto (hereinafter the “Marks”). Covercraft reserves the right to restrict business, refuse to do business with or refuse to sell Covercraft products to any person, business, current or future customer who uses or assists another person or business in the use of any of the Covercraft Marks in a manner that is deemed unacceptable by Covercraft. Covercraft reserves the right to deem any use of its trademarks or any confusingly-similar marks unacceptable.

A complete list of Covercraft trademarks may be found on the Covercraft Dealer Portal: <https://dealer.covercraft.com>

**Use of the Covercraft name anywhere in the URL domain name or subdomain names is strictly prohibited.**



Unacceptable uses of the Covercraft Marks include, but are not limited to, use of any of the Marks or any confusingly-similar marks in any sub-level, including second level, domain name, even if the corresponding website only features and advertises authentic Covercraft brand products or one of our product lines.

Thus, for example, the following uses of a Covercraft Mark would be considered **unacceptable**:

www.covercraft.mysite.com\_ (subdomain example)  
www.my-covercraft-site.com (domain example)  
www.my-adco-site.com (domain example)  
www.dashmat.mysite.com (subdomain example)  
www.carverccovers.mysite.com (subdomain example)

With prior written permission from Covercraft, it would not be considered unacceptable to use a Covercraft Mark following a top-level domain name, such as .com or .net, provided that the webpage associated with the corresponding domain name features only authentic Covercraft brand products.

Thus, the following examples would **be acceptable** if only Covercraft products are featured on the corresponding webpage:

www.mysite.com/covercraft-products.html (page name example)  
www.mysite.ca/dashboard-covers/dashmat (path example)  
www.mywebsite.com/covers?brand=covercraft (query string example)

In addition, use of any of the Marks or any confusingly-similar marks in any domain name associated with a webpage that features goods other than those of Covercraft will be considered an infringement of Covercraft's valuable trademark rights in its Marks. Further, any use of any of the Covercraft Marks in connection with the sale or advertising of any goods that are not those of Covercraft will be considered an infringement of Covercraft's valuable trademark rights in its Marks. Covercraft will enforce its valuable trademark rights to the fullest extent of the law.

Any representation of your physical store, ecommerce site, or marketing materials that could reasonably be mistaken by a consumer for an official Covercraft location, advertisement, or website or as a part of the Covercraft organization, is not permitted. Any deceptive marketing or promotional practices of this kind will result in termination of the business relationship and legal action.

UNDER NO CIRCUMSTANCES ARE COVERCRAFT EMPLOYEES OR SALES REPRESENTATIVES AUTHORIZED TO, NOR SHALL THEY, DISCUSS WITH ANY CUSTOMER THE SALES PRACTICES OF ANOTHER CUSTOMER OR THE APPLICATION OF THIS POLICY TO ANY OTHER CUSTOMER. ANY QUESTIONS OR COMMENTS CONCERNING THIS POLICY MUST BE DIRECTED EXCLUSIVELY TO: **Erik Guldager, Vice President of Sales, or your Sales Director.**



When completed and signed by a principal, please return to one of the following:

**Mail:** 100 Enterprise Blvd., Pauls Valley, OK 73075

**Fax :** (405) 238-9601

**Email:** BCP@covercraft.com

Signed: \_\_\_\_\_

Name (Print : \_\_\_\_\_

Company: \_\_\_\_\_

Date: \_\_\_\_\_

This Business Conduct Policy is subject to revision at the sole discretion of Covercraft Industries, LLC. If any **provision** of this Agreement is held illegal or unenforceable in a judicial proceeding, such **provision** shall be severed and shall be inoperative, and the remainder of this Agreement shall remain operative and binding on the Parties. If you have questions about this policy, please reach out to your local sales representative or email BCP@Covercraft.com



**Addendum to Covercraft's Business Conduct Policy  
Period: 2022 Calendar Year**

This Addendum address four dynamic areas within Covercraft's Business Conduct Policy: (1) The specific product categories that are covered by the policy, (2) The periods in which said product can be marketed as a discounted price to the consumer. (3) Covercraft's Marketing Calendar and (4) Retailer & Territory exclusions where certain products may not be offered for sale.

Covercraft reserves to right to modify both the subject product categories, the approved discount periods and the approved discount levels at its own discretion – and will be inform you of any changes ahead of time.

Price files are used to dictate specific MAP for all products covered under this policy. These files will be provided at least 30 days prior to any changes going live. Updated price files may also be requested by contacting [BCP@covercraft.com](mailto:BCP@covercraft.com).

\*This addendum supersedes the 2021 BCP Addendum and all previous versions.



## **(1) Covered Product Lines:**

### **Automotive Product Lines**

- Canine Covers
- Cargo Area Liners
- Custom Vehicle Covers including car, truck and SUV covers as well as Cab Coolers, Cab-Forward Covers and Interior Covers
- Custom Seat Covers including all SeatSaver™, SeatSaver™ WT and PrecisionFit®
- DashMat® including Original, Ltd. Edition, SuedeMat, VelourMat and UltiMat
- Front End Masks (Bras) including all Colgan® and LeBra®
- Floor Mats including Berber and Premier Plush
- Licensed Products including all Carhartt® and Ford OLP
- ProNet™ Tailgate Nets and Products
- Seatback Organizers
- Spidy-Gear® Cargo Management Products
- Truck Stop Covers & Accessories

### **Powersport and RV Product Lines**

- ADCO Storage Lot Covers
- ADCO UV-Hydro Covers
- Covercraft® Spare Tire Covers
- Motorcycle Covers
- PWC Covers
- RV SeatGloves™
- RV SofaSaver™
- Snap-Ring TireSavers®

### **Exclusions**

- All other ADCO, Carver and Marathon branded products
- Custom Vehicle Covers based on dimension sheets



## **(2) 2022 Approved Promotion Periods and Discounts**

### **2022 Promotion Period One**

Open from April 1, 2022 through April 30, 2022

10% allowed off Jobber for the following categories: All DashMats, LeBra, and UVS100 products. Excludes Ford OLP products.

### **2022 Promotion Period Two**

Open from September 1, 2022 through September 30, 2022

10% allowed off Jobber for the following categories: All Carhartt, All Car Covers, and All Seat Cover products.

### **2022 Promotion Period Three**

Open from November 24, 2022 through November 28, 2022

10% allowed off Jobber for the following categories: All Covercraft product lines

### **2022 Promotion Period Four**

Open dates contingent on Amazon Prime Day, extended 3 days on either side of event

For example, if the event runs two days, we would permit a total of 8 days for discounting

10% allowed off Jobber for all product categories

Covercraft reserves the right to add additional sale periods at its discretion.



### (3) Advertising Calendar

#### 2022 Advertising Calendar

The following schedule illustrates Covercraft's intended advertising focus through 2022. This will be subject to change at Covercraft's discretion.

<b>MONTH</b>	<b>PRIMARY FOCUS</b>	<b>SECONDARY FOCUS</b>
JANUARY	Floor Mats / Cargo Liners	Car Covers
FEBRUARY	Vehicle Covers	Major League Fishing / Prym 1 Camo
MARCH	Seat Covers	Marine Biminis
APRIL	DashMat / UVS100	Mustang (Ford OLP)
MAY	Marine	Seat Covers
JUNE	UVS / DashMat	Car Covers
JULY	UVS / DashMat	Marine Bimini Tops
AUGUST	Vehicle Covers	RV
SEPTEMBER	Carhartt Products	Covers: Auto, Marine, RV
OCTOBER	RV Products	Car Covers / Seat Covers
NOVEMBER	All Products	All Products
DECEMBER	Car Covers	All Products





#### **(4) Retailer & Territory Exclusions**

##### **Covercraft Branded Products:**

As used in this Agreement, "Covercraft Products" means Vehicle Covers, Seat Covers, Sunshades or any other products bearing a Covercraft trademark and provided by or on behalf of Covercraft to Distributor or Retailer. The definition of Covercraft Products may be amended by written notice to Distributor or Retailer at any time and from time to time.

There are no exclusions as to what retailers or distributors may offer Covercraft branded products except for those products that feature third party licenses as notated below.

##### **ADCO Branded Products:**

As used in this Agreement, "ADCO Products" means RV Covers & Accessory Covers or any other products bearing an ADCO trademark and provided by or on behalf of Covercraft to Distributor or Retailer. The definition of ADCO Products may be amended by written notice to Distributor or Retailer at any time and from time to time.

The breadth of the ADCO RV program is available for unrestricted distribution with the exception of ADCO's UV Hydro RV Covers. To qualify for resale of these parts, retailers must sell RV's on their premises. Additionally, these covers may not be offered through EBay or to/on Walmart. Amazon Marketplace would be acceptable assuming that the MSRP's are maintained. Sale to Amazon is not acceptable (on UV Hydro).

Regions of approved distribution for ADCO branded products include all countries with the exception of Australia and New Zealand.

##### **Carhartt Branded Products:**

As used in this Agreement, "Carhartt Products" mean Seat Covers, Truck Covers, Boat Covers, Sunscreens, Cargo Liners, Seatback Organizers or any other products bearing a Carhartt trademark and provided by or on behalf of Covercraft to Distributor or Retailer. The definition of Carhartt Products may be amended by written notice to Distributor or Retailer at any time and from time to time.

So-called "discount" retailers, including, but without limitation, Wal-Mart, Costco, K-Mart, , Lowes, BJ's



Wholesale, Sam's Club, Menard's, Jet, eBay, Target, Kohl's, Family Dollar, Dollar Tree, Dollar General, Dollar Store, Canadian Tire, Flying J Truck Stops, and Truck Stops of America are expressly excluded from the Channels of Distribution, regardless of whether Licensed Products are sold directly or through a distributor to such entities.

Regions of approved distribution for Carhartt Branded Products, whether through a distributor, a wholesaler, or Direct to Consumer are limited to the United States of America, Puerto Rico and Canada.

Carhartt, Inc. is an express third-party beneficiary of this Agreement and may enforce any breach of this Agreement independent of any action taken by Covercraft.

#### **(4) Continued - Retailer & Territory Exclusions**

##### **Ford Branded Products:**

As used in this Agreement, "Ford Products" mean Car Covers, Truck Covers, Seat Covers, Sunscreens, Cargo Liners, Front-end masks, Dash Covers, Tailgate Nets, Spare Tire Covers or any other products bearing a Ford OLP trademark and provided by or on behalf of Covercraft to Distributor or Retailer. The definition of Ford Products may be amended by written notice to Distributor or Retailer at any time and from time to time.

Regions of approved distribution for Ford Branded Products, whether through a distributor, a wholesaler, or Direct to Consumer are granted on a Worldwide basis except for Iran, Syria, N. Korea, Cuba and Crimea.

There are no retailer or channel exclusions pertinent to Ford licensed products.

Ford is an express third-party beneficiary of this Agreement and may enforce any breach of this Agreement independent of any action taken by Covercraft.