



## **BSD BMX 2017/2018 DOMESTIC DEALER TERMS, CONDITIONS, & POLICIES**

To further our continued support of independent bicycle dealers, to encourage our dealers to effectively promote and invest in sales and service of our products, and to preserve the image and value offered by our products, BSD BMX has unilaterally adopted the following policies for all resellers of BSD frames and components.

### **• No Auction Site or Affiliate Program Sales**

Websites can be a valuable tool for retailers to establish an online presence, promote their stores and better connect with and serve their customers. We have seen a rapid growth in the use of anonymous “auction” sites such as Ebay and affiliate sites like Amazon or Wal-Mart to sell bicycles and accessory products. These anonymous retail sites do not help retailers build either customer loyalty or a distinctive brand image for their store, and they offer consumers nothing in the way of customer service. The only “brand” that benefits from anonymous online sales is the auction/affiliate site itself. Auction/affiliate sites turn bicycle products into mere commodities, and in doing so, harm BSD, our vendors, our customers, retail consumers and the health of our industry. **BSD products may not be advertised or sold on an “auction” site.**

### **• Prohibited Sales Strategies**

BSD products may not be advertised or sold using “make an offer” or “price matching” sales strategies. These products may not be included in any coupon, discount or offer that in effect reduces the price below our minimum MSRP. These strategies include, but are not limited to, offering a percentage discount on a purchase over a certain dollar level, or combining frames with other items where the resulting “package” price is only slightly over our minimum MSRP. Dealers who use these promotional strategies must exclude BSD products from the promotion and clearly indicate that exclusion in their advertising. BSD reserves the right to restrict sales to any dealer who violates either the letter or spirit of this policy.

- **Dealer MSRP and Margin List**

We will periodically update and publish our suggested MSRP and suggested minimum MSRP for BSD products. Our most current pricing policy information is available by logging in to the dealer area of qbp.com, clicking the tools tab and looking under Information/ Documents & Forms.

- **Independence of Determination of Prices and Margins by Dealers**

All dealers are free to independently determine their own retail prices and margins as long as MAP are maintained. BSD will not seek and will not accept any agreement with any dealer regarding either their retail pricing or their adherence to our pricing policy.

- **BSD's Control of Product**

BSD has the legal right to unilaterally cease sales of BSD products at any time and for any reason, without prior notice to the dealer. BSD has unilaterally determined that it will cease to sell products to dealers who choose to advertise or sell these products at prices below BSD's suggested minimum MSRP, or in violation of our other policies.

- **No Tattling:**

Our MSRP, suggested minimum MSRP and suggested margins have been set unilaterally by BSD, and cannot be the subject of negotiation or discussion with any dealer. It is our obligation to enforce this policy uniformly and fairly, and we must do so on our own. We cannot and will not accept any information from any dealer about prices being charged by another dealer or about possible violations of our policies by another dealer. Please do not call us or send us email about prices being charged by another dealer.

- **Permissible Promotions and Sales of Used Bicycles**

We suggest that dealers may choose to go below our suggested minimum MSRP or suggested margins by up to 10% for a period of up to two weeks, twice per year, for special sales or promotions. We further suggest that dealers may choose to sell bona fide used or floor sample frames or bicycles at prices below our minimum MSRP or margin.

- **Minimum Margin MAP for Closeout Products**

When BSD moves a frame or part to "closeout" status and lowers our wholesale price to dealers, our new suggested minimum advertised price for that product will be 32% above our closeout wholesale price.

• **Use of Trademarks and Logos**

Any dealer who complies with these policies may use our trademarks, trade names, and logos in print advertising or on the Internet to advertise that BSD products are available for sale or delivery at the dealer's physical retail location. Unauthorized or inappropriate use of our logos, trademarks, trade names or other intellectual property (such as use of our images on auction sites) may result in restriction of your ability to purchase BSD products. All trademarks, trade names, logos and other intellectual property remain the exclusive property of BSD.

• **Internet or Mail Order Dealers**

BSD frames and parts may be sold through the internet or mail order, however MAP must be adhered to at all times. No BSD products may be advertised or sold on any "auction" site e.g., Ebay Craigslist, etc., or by use of "make an offer" sales strategies, whether under a dealer's name, a pseudonym, or via a "3P" (third party) site e.g., Amazon, Ebay, Wal-Mart etc. BSD reserves the right to unilaterally restrict sales to any dealer who sells BSD products to consumers through "auction", "make an offer" or "3P" sites.

• **Exclusive Bike and Frame Territories:**

BSD reserves the right to establish exclusive dealer territories in some geographical areas, and to not sell BSD frames or parts, to other dealers in those territories. Exclusive Territory Dealers may be required to sign a written contract.

• **Promotion Through Team Support and Bike Shop Employee Purchase**

BSD may provide products directly to professional or amateur teams or individual riders for promotional purposes. BSD also reserves the right to create a bicycle shop employee purchase program to promote sales of these products, and to establish other promotional programs at our discretion.

- Effective Date: These policies go into effect January 1, 2018.

**[www.bsdforever.com](http://www.bsdforever.com)**