

## **Lumitec MAP Policy**

To our valued partners:

Lumitec has worked hard to establish a product offering which delivers exceptional value to our customers. We strive to deliver this value in multiple ways such as innovation, support, quality, and, for our reseller partners, financial strength. For this reason, Lumitec maintains a Minimum Advertised Price policy. Our policy is as follows:

***All resellers shall ensure that Lumitec products are not being offered for sale (advertised) at prices below MAP.***

To help our partners adhere to this policy we offer the guidelines below. Please note that these guidelines are not intended to address, exclude or prohibit all possible channels, situations, or loopholes. When in doubt we strongly urge you to refer to the policy above to determine if the spirit of Lumitec's Minimum Advertised Price policy is being adhered to.

Respectfully,  
John Kujawa  
President - Lumitec

Lumitec's MAP policy guidelines:

1. Lumitec has established Minimum Advertised Prices for all Lumitec products. These MAP prices are available through your Lumitec representative and/or your Lumitec distributor.
2. Unless otherwise explicitly agreed to in writing by Lumitec, all advertisements or offers for sale of MAP-controlled products must present prices that are at or above the current Lumitec MAP price.
  - a. Retail MAP pricing: Applies to any and all pricing offered to any retail customer. A retail customer is defined as an end-user, or any other entity which is not:
    - i. A bona-fide, verified, licensed business entity, AND
    - ii. Actively engaged in the resale and/or installation of lighting and/or marine related products, AND
    - iii. Purchasing Lumitec products for resale, installation, or integration.
  - b. Distribution MAP pricing: Applies to pricing offered to qualified, verified, relevant licensed RESELLERS. (i.e., trade only). It is the responsibility of the Distributor to ensure that Distributor MAP pricing is offered only to qualified and bona-fide resellers of related products. Under no circumstances may distributors advertise or offer Distributor MAP pricing to unqualified or non-trade customers.
3. It is Lumitec's policy to permit the sale of Lumitec products only to those distributors, installers, dealers, etc. (RESELLERS) who abide by and support the enforcement of Lumitec's MAP policy.
4. This MAP policy applies equally to offers for sale or advertisements in all media, including but not limited to magazines, newspapers, flyers, show guides, banners, inserts and other printed media; internet sites, consumer portals, banner ads, social media feeds, RSS feeds, push email notifications and/or campaigns, and other forms of digital media; television, radio, and other forms of broadcast media.
5. MAP-controlled products offered for sale online must, in ALL instances, display a purchase price that is equal to or greater than MAP price. This includes but is not limited to sites

requiring a login/password, sites accessible only to 'members', sites with customer-specific pricing or offers, etc.

6. Advertisements or offers may not include any form of leading language, obliteration or strike-through to imply that a price lower than MAP may be available. This policy is equally related to all advertisement formats including print, electronic and on-line advertising. Examples of language that is not permitted include, but are not limited to:
  - a. Click here for your price
  - b. Price too low to print
  - c. Sign in for member price
  - d. Add to cart for details
  - e. Make offer
7. No discounts, instant coupons, rebates or refunds may be used in connection with any MAP product to result in a price lower than MAP.
8. MAP-controlled products advertised, listed, or offered for sale through online auction sites or stores must adhere to the policies set forth for MAP. In all instances, "Starting Bid", "Buy It Now", or other visible bid or purchase price must be equal to or greater than the MAP for the item being advertised, auctioned or offered. Products may not be listed with a "Buy It Now or Best Offer" option.
9. Multiples of MAP-controlled products, bundles, packages, or kits consisting wholly or in part of MAP-controlled products must be advertised for sale at prices that are equal to or greater than the sum total of all Lumitec MAP-controlled items in the package or kit.
10. This policy does not restrict the actual transaction price a RESELLER may negotiate and agree to for a single specific customer transaction. A single specific customer transaction is defined as one which includes:
  - a. A specific part number, AND
  - b. A specific quantity, AND
  - c. A specific time period with explicit end date not more than 90 days from effective date.
11. Failure to abide by the terms of this agreement and/or failure to promptly rectify any violation of this MAP policy will result in the RESELLER being prohibited from selling Lumitec product. This prohibition will involve steps to restrict RESELLER's access to Lumitec products for resale.
12. Distributors are expected to support the enforcement of Lumitec's MAP policy. This includes abiding by Lumitec's Do Not Ship list. Distributors may not ship to, drop ship on behalf of, or otherwise make Lumitec products available to any company or reseller on Lumitec's Do Not Ship List, or any known affiliate of a company on Lumitec's current Do Not Ship list. Companies on Lumitec's Do Not Ship list are assumed to remain on that list until a subsequent indication of compliance (i.e. "removal from Do Not Ship List") is published or disseminated by Lumitec. Lumitec utilizes blind or mystery shopping to verify compliance to Do Not Ship lists. RESELLER's (Distributor's) failure to abide by the Do Not Ship List will result in the following:
  - a. First Instance: A written notice of non-compliance will be sent to Distributor, requiring a written acknowledgement of non-compliance, and intended corrective actions.
  - b. Second Instance: LOSS OF CO-OP FUNDS. A written notice of non-compliance will be sent to Distributor, requiring a written acknowledgement of non-compliance, and intended corrective actions. Additionally, the distributor's Co-Op funds for the current or next period will be debited by an amount equal to three times (3x) the retail value of the offending purchases.

- c. Additional Instances: Potential revocation of all Co-Op funds and/or termination of relationship.
  - d. Distributors found to be in direct violation of Lumitec's MAP policy as described above may be cut-off from direct purchasing of Lumitec products for a minimum of 30 days, at Lumitec's discretion.
13. This MAP policy, enforcement procedures, and the prices for individual Lumitec products may be changed at any time. Such changes shall be uniformly applied to all RESELLERS and Distributors.

### **Lumitec Retail MAP Violation Procedure**

Compliance with Lumitec's MAP Policy is the sole responsibility of the RESELLER. Lumitec regularly audits the marketplace to ensure MAP compliance. In the event of a violation, the following steps will be taken. Lumitec reserves the right to amend this process as needed, at any time.

#### ***1<sup>st</sup> Violation:***

1. Lumitec will make a reasonable effort to notify RESELLER of violation. Notification attempt(s) will be made through those means made available to the RESELLER's typical customers (e.g. published phone number, email address, "contact us" web form, etc.)
2. RESELLER will be given 2 business days to acknowledge notice of violation, and demonstrate that RESELLER is wholly compliant with Lumitec's MAP Policy. Compliance is understood to encompass all products sold on all sites or locations directly or indirectly controlled by the RESELLER in violation.
3. Demonstration of compliance and notification to Lumitec of same are the sole responsibility of the RESELLER in violation.
4. In the event that RESELLER does not rectify the violation(s) and demonstrate to Lumitec within 3 business days that RESELLER is fully compliant, RESELLER will be placed on "Stop Ship" with Lumitec and Lumitec's distributors. RESELLERS on Stop Ship are expressly forbidden to sell Lumitec products.
5. A RESELLER placed on Stop Ship from a first violation will be removed from Stop Ship not less than 30 days after demonstrating compliance to Lumitec.

#### ***2<sup>nd</sup> Violation:***

1. Lumitec will make a reasonable effort to notify RESELLER of violation. Notification attempt(s) will be made through those means made available to the RESELLER's typical customers (e.g. published phone number, email address, "contact us" web form, etc.)
2. RESELLER will be given not more than 2 business days to acknowledge notice of violation, and demonstrate that RESELLER is wholly compliant with Lumitec's MAP Policy. Compliance is understood to encompass all products sold on all sites or locations directly or indirectly controlled by the RESELLER in violation.
3. Demonstration of compliance and notification to Lumitec are the sole responsibility of the RESELLER in violation.
4. In the event that RESELLER does not rectify the violation(s) and demonstrate to Lumitec within 2 business days that RESELLER is fully compliant, RESELLER will be placed on "Stop Ship" with Lumitec and Lumitec's distributors. RESELLERS on Stop Ship are expressly forbidden to sell Lumitec products.
5. A RESELLER on Stop Ship from a second violation may remain on Stop Ship indefinitely, at Lumitec's sole discretion.