

# Unilateral Minimum Retail Price (MRP) Policy

## Effective July 1, 2020

*This Minimum Retail Price (MRP) Policy is applicable only in the US.*

To protect the long-term interest of not only ACR Electronics, Inc. ("COMPANY" or "ACR"), but also all our Authorized Resellers, Distributors and Customers, we have unilaterally adopted a Minimum Retail Price Policy for selected products. This policy is to ensure the preservation of COMPANY's superior technology and quality products, the product value, trademarks, and to properly establish the brand and reputation of these products in the appropriate market segment. COMPANY will conduct business only with COMPANY Authorized Resellers and Distributors. Distributors are required to provide all Authorized Resellers with a copy of this policy and ensure their compliance. The authorized Distributor shall be held responsible and accountable for MRP compliance of its resellers. *Under this Policy any sales of MRP products by anyone that has not signed an ACR U.S. Distribution Agreement shall abide by MRP when selling MRP Products. This includes, but is not limited to resellers, online marketplace retailers, dealers, brick and mortar stores, wholesalers, discount and/or specialty stores, warehouse stores, military sales, and E-tailers.*

Although resellers remain free to establish their own prices, COMPANY shall notify Authorized Resellers immediately following COMPANY's verification, to its satisfaction, that Authorized Reseller is selling on an unauthorized marketplace or has advertised, offered, or sold any MRP Product at a net retail sales price less than the MRP established and announced by COMPANY.

**For the first violation during the Policy Period:** If such violation is due to an offer, such Reseller, after receiving notice of such violation from ACR, will remove or stop or cause to be removed or stopped the offending reference(s), text or conduct (if ACR determines that it or they can be) within the Allotted Period (for purposes of the Policy, the "Allotted Period" means the time period specified in the notice of violation provided by ACR to such Reseller, which typically will be one of the following: [1] no later than one (1) business day (usually for a violation involving the Internet); [2] no later than two (2) business days (generally for all other cases); or [3] by the conclusion of the period otherwise specified by ACR). AT ACR's election, a first violation will result in the indefinite discontinuation of the Resellers status as Authorized Reseller and be placed on the Do-Not-Sell List.

- *Unauthorized Resellers will be notified to complete COMPANY Authorized Reseller Application or Cease and Desist future sales.*
- *Distributor(s) who sell to Unauthorized Resellers may be terminated from doing business with ACR.*

**For the second violation during the Policy Period:** In the event that (A) the offending reference(s), text or conduct that caused the first violation is or are not removed or stopped (if ACR determines that it or they can be) within the Allotted Period or (B) such Reseller otherwise violates the Policy a second time, effective as of the date specified in notice from ACR to such Reseller and continuing for the next (30) days, the authorization of such Reseller to purchase each stock-keeping unit ("SKU") in the product family involved in the second violation (as determined by ACR) will be immediately revoked by ACR, so that all pending orders (even if accepted) from such Reseller will be cancelled and no new orders will be accepted from such Reseller for each such SKU for a period of six (6) months. AT ACR's election, a second violation will result in the indefinite discontinuation of the Resellers status as Authorized Reseller and be placed on the Do-Not-Sell List.

- *Distributor(s) who have a selling relationship with the Authorized Reseller will be alerted of the violation to ensure no sales for this product are accepted.*
- *Unauthorized resellers will be notified to cease and desist the sales of all ACR products and trademark infringement and possible legal action.*
- *Distributors who sell to any violator after the second violation will risk losing the sale of the same product for a period of 6 months.*
- *Distributor(s) continuing to sell to Unauthorized Resellers may be terminated from doing business with ACR.*

**For the third violation during the Policy Period:** In the event that (A) the offending reference(s), text or conduct that caused the second violation is or are not removed or stopped (if ACR determines that it or they can be) within the Allotted Period after receiving notice of the second violation from ACR or (B) such Reseller otherwise violates the Policy a third time, effective as of the date specified in notice from ACR to such Reseller and continuing until ACR provides notice to such Reseller otherwise, if ever, the authorization of such Reseller to purchase any or all ACR products will be immediately revoked by ACR, so that all pending orders (even if accepted) from such Reseller will be cancelled and no new orders will be accepted from such Reseller for any or all of the Designated Products. AT ACR's election, a third violation will result in the indefinite discontinuation of the Resellers status as Authorized Reseller and be placed on the Do-Not-Sell List.

- *Distributor(s) who have a selling relationship with the Authorized Reseller will be alerted of the 2<sup>nd</sup> violation to ensure no sales for this product are accepted.*
- *Distributors who sell to the violator after 2<sup>nd</sup> violation will additionally lose the sale of the same product for a period of 6 months.*
- *Distributor(s) continuing to sell to Unauthorized Resellers may be terminated from doing business with ACR.*

**ONLINE MARKETPLACE (AMAZON, WALMART, EBAY, ETC.) AUTHORIZED RESELLERS:**

**For any violation during the Policy Period:** Should the Authorized Reseller violate this Policy (as determined by ACR) the Authorized Reseller's status will be immediately revoked by ACR, so that all pending orders (even if accepted) from such Reseller will be cancelled and no new orders will be accepted from such Reseller for **ALL** SKU's within the MRP program for a period of six (6) months. At ACR's election, this violation will result in the indefinite discontinuation of the Resellers status as Authorized Reseller and be placed on the Do-Not-Sell List.

- *Distributor(s) who have a selling relationship with the Authorized Reseller will be alerted of the violation to ensure no sales are accepted and will risk losing the sale of the violated product(s) for a period of 6 months.*
- *Distributor(s) who sell to Unauthorized Resellers using online marketplaces may be terminated from doing business with ACR.*

Violations may be transmitted through COMPANY's enforcement agencies or through the MRP compliance department.

Any discounting of the MRP for an MRP Product, including, without limitation, advertising, offering or providing coupons, rebates, free accessories, or payment of sales tax for the customer - will be regarded as a violation of this MRP Policy. The following will also be considered violations of this policy: (a) advertising any net price for an MRP Product less than the MRP in connection with any advertisement of a trade-in offer for any other product; or (b) displaying in, or in association with, any advertisement for an MRP Product any specific trade-in price or value for any trade-in of any other product.

From time to time COMPANY may offer a direct manufacturer's rebate to customers or Gift with Purchase promotions. In such events, it shall not be a violation of this MRP to advertise the availability of the manufacturer's rebate, provided that:

- the advertisement includes an MRP-compliant price, the rebate amount, and the net price after manufacturer's rebate in the same type size and style;
- an asterisk is placed next to the net price after manufacturer's rebate; and
- "\*\*after manufacturer's rebate" appears in the same area of the advertisement as the advertised product.

COMPANY will not discuss any conditions of acceptance related to this policy, as it is non-negotiable and will not be altered for any Authorized Reseller or distributor. In addition, COMPANY neither solicits, nor will it accept, any assurance of compliance with this policy. Nothing in the policy shall constitute an agreement between COMPANY and any Authorized Reseller or distributor on any subject including that the Authorized Reseller or distributor will comply with this policy or will sell any product at or above any price.

COMPANY will not discuss the MRP Policy with any Reseller or distributor. Accordingly, all COMPANY personnel and sales representatives have been specifically instructed not to discuss the policy beyond the content of this statement with anyone outside of COMPANY. Please do not attempt to discuss the policy with COMPANY personnel or sales representatives or communicate complaints or advice to COMPANY personnel or sales representatives. COMPANY will unilaterally determine whether MRP Products are being advertised, offered or sold at prices other than in compliance with the COMPANY Minimum Retail Price Policy. COMPANY sales personnel are not authorized to modify or grant exceptions to this policy. COMPANY will use internal and third-party price monitoring software to immediately be notified of authorized sellers and MRP pricing violations.

This MRP Policy applies only to MRP Products only. Products included in this MRP include the following goods prior to any Manufacturer Authorized Consumer Rebate:

Part Number	Mfr	Description	MRP -USD
<b>406 GPS EPIRBs &amp; PLBs</b>			
2921	ACR	ResQLink 400 PLB	\$ 299.95
2922	ACR	ResQLink View 425 PLB	\$ 349.95
2830	ACR	GlobalFix V4 Cat I 406 GPS EPIRB	\$ 559.95
2831	ACR	GlobalFix V4 Cat II 406 GPS EPIRB	\$ 454.95
702S-03401	OSL	EPIRB-1 Pro Cat I GPS EPIRB	\$ 549.95
702S-01540	OSL	EPIRB-1 rescueME Cat II GPS EPIRB	\$ 425.95

730S-01261	OSL	rescueMe PLB-1	\$ 289.95
		<b>AIS Products</b>	
2886	ACR	ACRLink MOB Personal Man Overboard Beacon	\$ 279.95
740S-01551	OSL	rescueMe MOB-1 Man Overboard Beacon	\$ 289.95
2666	ACR	AISLink CA2 Class A	\$ 2,195.95
2676	ACR	AISLink CB2 Class B	\$ 799.95
2352	ACR	ACR AISLink CB2 Class B AIS w/2-OSL MOB-1 MOBs	\$ 999.95
		<b>Searchlights</b>	
1960	ACR	RCL-50 LED Searchlight	\$ 1,099.95
1961	ACR	RCL-50 LED Searchlight (Black)	\$ 1,199.95
1951	ACR	RCL-100 LED Searchlight	\$ 1,420.95
1951.B	ACR	RCL-100 LED Searchlight (Black)	\$ 1,520.95
1953	ACR	RCL-100 LED Remote Control w/WiFi	\$ 1,620.95
1953.B	ACR	RCL-100 LED Remote Control w/WiFi (Black)	\$ 1,720.95
1956	ACR	RCL-85 LED	\$ 449.95
1957	ACR	RCL-85 LED (Black)	\$ 449.95
1958	ACR	RCL-95 LED	\$ 599.95
1959	ACR	RCL-95 LED (Black)	\$ 599.95
1933	ACR	RCL-300 Searchlight	\$ 5,949.95
1941	ACR	RCL-600 Searchlight	\$ 9,949.95
		<b>OLAS</b>	
2980	ACR	ACR OLAS Crew Tag	\$ 74.95
2981	ACR	ACR OLAS Tag (4-Pack)	\$ 279.95
2982	ACR	ACR OLAS Float-On	\$ 129.95
2983	ACR	ACR Float On Torch	\$ 99.95
2984	ACR	ACR OLAS Core	\$ 149.95
2985	ACR	ACR OLAS Guardian Engine Kill Switch	\$ 239.95
2986	ACR	ACR OLAS Extender	\$ 124.95
		<b>Survival Kits</b>	
2346	ACR	ACR ResQLink 400 Survival Kit	\$ 329.95
2347	ACR	ACR ResQLink View 425 Survival Kit	\$ 379.95
2348	ACR	GlobalFix V4 Survival Kit	\$ 549.95
2349	ACR	GlobalFix V4 & ResQLink 400 PLB Survival Kit	\$ 799.95
2350	ACR	ACR ResQLink 400 w/ OLAS Crew Tag	\$ 349.95
2351	ACR	ACR ResQLink View 425 PLB w/ OLAS Crew Tag	\$ 399.95