

## **REVISED MINIMUM ADVERTISED PRICE (MAP) POLICY**

Effective August 1, 2020. This revision supersedes all prior MAP policies.

Samsung Electronics America, Inc. ("Samsung") has built a strong reputation among consumers and has established a quality distribution network that actively promotes, educates and advertises our products to consumers. Therefore, with the goal to preserve its strong brand image, Samsung has established a Minimum Advertised Price ("MAP") policy ("Policy") for Samsung's home appliance products. The Policy applies to U.S. Dealers only.

This Policy document is provided for information and reference only. It is not incorporated in any Distributor or Dealer Agreements by reference. The terms of this Policy are confidential and may not be disclosed to other parties. Each Dealer/Distributor remains free to independently establish its own retail prices. In order to retain our image, Samsung has determined that it shall not support advertising or promotional materials, through cooperative advertising or otherwise, that may affect its goodwill, or diminish, detract and/or damage the value of Samsung products and standards.

The Policy applies to all public advertisements of Samsung products by Dealers in any and all media, including, without limitation, inserts, newspapers, magazines, catalog, mail-order catalogs, public signage, other print media, television, radio, e-mail, internet websites, e-commerce, internet banners, flyers, posters, coupons, brochures, any method which uses the hypertext transfer protocol (http) or any internal link to a web based shopping cart, and other electronic media ("Advertisements"). Notwithstanding the foregoing, advertisements that are presented and available exclusively to members of a bona fide Dealer membership program, are excluded from this definition. In considering whether a membership program is excluded, Samsung will consider such factors as whether prospective members are required to submit verified personal information or pay a membership fee, but Samsung reserves the right to determine, in its sole discretion, whether a membership program is eligible for exclusion from this definition.

The Policy defines the lowest price authorized to be advertised in order to maintain Samsung brand equity. This policy applies to all US Dealers and all products in the Home Appliance product categories. Advertisements that do not comply with Samsung published MAP Program Guidelines will be considered in violation and, without assuming any liability, Samsung may issue written notification of failure to follow the Policy and execute the Schedule of Consequences as set forth below. Samsung reserves the right to revise any terms, including authorized dealer list and model list at any time.

### **GENERAL GUIDELINES**

This policy applies to all Home Appliance product categories sold by Samsung, including, but not limited to: refrigerators, washers, dryers, ranges, dishwashers, microwave ovens, air purifiers and vacuums. All Advertisements that include prices must meet the following requirements in order to be deemed in compliance with the MAP Policy:

1. Dealers cannot publish any price in violation of this MAP Policy either online or offline at any publication including those of any third-party. Third-party includes retailers, price comparison websites, search engines, auction websites, distributors, or any company conducting commerce. Violations will be subject to the Schedule of Consequences as outlined below.
2. Any other link to another retailer/etailer's listing on the dealer's website is subject to this policy. Any violation from any of them who are unauthorized by Samsung counts toward the Schedule of Consequences set forth herein against the dealer who listed it. Any violation from an authorized dealer is the responsibility of that authorized dealer only.
3. A "click for price", "mouse over for price", "see price in-cart", "add to-cart" button, or any other method on a website intended to solicit potential customers to put the product in a cart that displays a price lower than the MAP guidelines before the checkout phase (defined below) is a violation of this Policy.

4. All advertised prices must show the MAP compliant price or higher, except as specifically permitted by this Policy. Savings amount may be included or omitted, and expressed in dollars or percents.
5. Free shipping and/or handling or financing promotions do not violate this Policy.
6. "All on Sale" events, defined as a Dealer sale applicable to all SKU's across substantially all brands in a product category (refrigerators, washers, dryers, ranges, dishwashers, microwave ovens), may advertise discounts even if the event yields a price less than the current MAP of that product as specified by Samsung, subject to the following conditions: (1) the discount must not exceed ten percent (10%) of the MAP price (the "Maximum Allowable Dealer Discount"), and (2) Samsung may, by written notice to Dealers, exclude certain product categories from "All on Sale" events. Samsung may be included in such "All on Sale" events, as long as the advertised price is not lower than MAP. "All on Sale" advertisements must (a) clearly state that the discount is provided by the Dealer and is separate from any Samsung-sponsored discount, and (b) be uniformly communicated across all brands in the advertisement. In the event that Samsung has issued a temporary promotional MAP for a given product ("Promo MAP"), then the Maximum Allowable Dealer Discount may be calculated off the Promo MAP during the corresponding promotional period.

Dealers may exclude a limited number of special items from "All on Sale." For example, closeout or clearance items and a limited number of select new models may be excluded as long as the vast majority of the SKU's in that product category is advertised as "All on Sale".

7. Bundle promotions not sponsored by Samsung are permitted but must meet the following guidelines:
  - Dealer may bundle and advertise, at dealer's discretion, any MAP-compliant Samsung-branded home appliance product with either (i) another Samsung-branded product at up to 100% off MAP, or (ii) a gift card;
  - When two Samsung-branded products are bundled, the product with the greater MAP price must be advertised at a MAP-compliant price;
  - When the bundle includes a gift card, the Samsung product must be advertised at a MAP-compliant price (the gift card value cannot be netted from the product price if the resulting price would be non-compliant); and
  - UPP models cannot be bundled.
8. Rounding of up to five dollars (\$5) is allowable, up or down, in order to advertise a price to the nearest \$X99 pricing, or whichever pricing convention is the norm for the Dealer (e.g., \$X98); the pricing convention must be applied to all products in all ads for all brands to be considered a norm.
9. Any package discount offered by the Dealer (which may include Samsung and non-Samsung branded products, and may be offered as part of an "All on Sale" or "buy more, save more" promotion) that would yield a lower price than the total MAP price of all Samsung items in the package may be applied to the package in the advertisement, as long as the resulting discount does not exceed the Maximum Allowable Dealer Discount set in paragraph six above.
10. The MAP Policy does not in any way limit the ability of any Dealer to advertise that "they have the lowest prices", they "will meet or beat any competitors price", that prices are "too low to show", that consumers should "call or e-mail for a price", as long as the Advertisement price is not less than MAP.
11. A store branded credit card discount of up to 5% below the Maximum Advertised Dealer Discount is allowed as long the offer applies to 3 or more brands in a product category and the additional

savings are not netted out by item.

12. The MAP Policy applies to all in-cart pricing as well as all "click for price", "mouse over for price", "see price in-cart", "add to-cart", and any other price vehicle intended to show a price below the MAP compliant price prior to the final Checkout phase (defined below).
13. The MAP Policy shall not apply to the final "Checkout" stage for online purchases. This area of a dealers website are those webpages where:
  - Consumer has acted in a deliberate manner to "go to Checkout" or "make purchase payment", by clicking on buttons designed for such purpose;
  - Consumer's personal information is required, most commonly name and address, payment information, or login information that is inclusive of these personal information; and
  - Security measures are in place where all data is encrypted for security against fraudulent activity and product price is not accessible by price comparison engines or "spiders."
14. Promotional codes or coupons may be entered only at the Checkout stage. The manner in which a dealer communicates the existence of such coupons or additional discounts may be subject to the MAP Policy.
15. Samsung reserves the right to publish guidelines for temporary promotional programs that may include a change to a product's permissible MAP for a limited time period of such promotional program.

## SCHEDULE OF CONSEQUENCES FOR VIOLATING MAP POLICY

### General

- Counting of violations applies to each instance of violation on an Advertisement vehicle. For example, if two over the range microwave oven models on one circular advertisement are found to be in violation that would constitute one violation for the cooking category. For online advertising, each day of violation would constitute as one violation. For example, if two Refrigerator models listed online are found to be in violation in one calendar day; that would constitute as one violation for the refrigeration category.
- If a dealer is under violation but does not satisfy the complete terms of the corresponding consequence specified in this Policy, such would count towards a new instance of violation.
- Samsung shall at its sole discretion, determine the SKU among the SKU's that have been in non-compliance of this Policy, for which the consequence of violation applies. For example, first violation was on SKU "A" and second violation was on SKU "B". Samsung shall choose whether SKU "A" or "B" cannot be listed in Advertisements for 4 weeks.
- Violations are calculated by calendar year. Any violation at any instance in time shall incrementally add to the number of violations within that calendar year. For example, if one violation happened in January of a given year and second happened in December of the same year, it would constitute 2 violations. However, if multiple violations occurred over a 12 month period and the dealer lost the ability to purchase the SKU that SKU will no longer be available to purchase during the life of that SKU.
- In addition to the specific consequences outlined in the tables below, Samsung may refuse to pay or provide advertising dollars for Advertisements that do not comply with its published MAP Program Guidelines, and, without assuming any liability, Samsung may:
  - a. Cancel all orders and refuse to accept any new orders from any Dealer for a MAP Product immediately following verification by Samsung that the Dealer has advertised the Product at a net price less than the MAP Guideline.
  - b. In the event of printing error, require an immediate, formal retraction on all offending Advertisements (such retraction must be issued no later than one week after the error).
  - c. After the fourth violation, Samsung, at its sole discretion, may buy back any remaining sellable inventory of a SKU (as determined by Samsung according to the guideline above) of the dealer.
  - d. Terminate the Dealer Agreement.
- Samsung reserves the right at its own discretion to issue one (1) warning per Dealer prior to effecting the Schedule of Consequences below.

### Violation table

Violation	Consequence
First Violation	Warning
Second Violation	Cannot list SKU on online Advertisements for 4 weeks
Third Violation	Loss of ability to purchase SKU for 8 weeks AND cannot list SKU on online Advertisements for 4 weeks
Fourth Violation	Loss of ability to purchase SKU for life of that product AND cannot list SKU on online Advertisements for 4 weeks

## **ADVERTISING GUIDELINES**

Dealer's Advertisements must follow the following guidelines and are subject to approval by Samsung. Failure to follow these guidelines may result in termination of the Dealer Agreement by Samsung.

1. All Advertisement(s) must include Samsung model numbers that are complete or sufficient in Samsung's sole and absolute discretion to specifically identify the advertised product(s).
2. Advertisement(s) must display appropriate brand name prominently containing the correct and authorized logo, product illustration, model number and mention at least one feature. Display advertisements deliberately depositing or illustrating Samsung Branded Products without brand names fail to meet merchandising principals that emphasize the value and quality of Samsung Branded Products. Please refer to the Logo & Trademark Usage section of the Samsung Dealer Agreement.
3. When Samsung's trademarks, logos and trade names are used, they must be used properly as indicated in the Samsung Logo & Trademark Usage guidelines available upon request.
4. All Advertisements must contain the correct product illustration corresponding to the model number..
5. Advertisements must not be deceptive and should comply with state and/or federal laws, e.g. models shown and/or features advertised must be related to the price indicated in the advertisement.

Samsung has adopted this Policy unilaterally in furtherance of its independent business strategy and reserves, at its sole discretion, the right to change this Policy and to interpret, enforce and otherwise handle all questions and issues related to the Policy. Interpretation and application of this Policy shall be made exclusively by Samsung in its sole discretion. Except as expressly authorized by Samsung in writing, no Dealer or Distributor of Samsung, or their employees, have the authority to discuss, change or enforce this Policy."