



LG Electronics U.S.A., Inc.

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Home Entertainment Product

Minimum Advertised and Unilateral Pricing Policy (MAP/UPP)

Effective Date: 6/8/2023

1. Purpose

LG Electronics USA, Inc. ("LGEUS" or "LG") has invested substantial time and money developing the competitiveness of its brand and, in particular, establishing its products in the United States market as premium products with premium consumer features and benefits. Accordingly, LGEUS, acting in its unilateral business judgment to support its marketing plan, has prepared this Policy regarding the pricing for sales of its home entertainment products.

This Policy is a unilateral statement of LGEUS's intent and is not a contract, or an offer to form a contract. LGEUS does not ask and will not accept any agreement about an account's compliance with or acceptance of this Policy. Rather, this Policy describes the terms under which LGEUS may, in its sole discretion, choose to sell its products.

- A. This Policy applies to products that LGEUS has identified as either MAP (Minimum Advertised Price Policy) or UPP (Unilateral Price Policy) products.
- B. Promotions, bundles and other value-added offers listed on the LGEUS national roadmap are exempt from this Policy.
- C. Each violation of this Policy will be treated as a separate incident.

2. Scope

This Policy applies to all resellers that purchase product directly from LGEUS ("Accounts") as well as any resellers that are indirect purchasers ("Indirect Accounts"). Accounts that receive this Policy are responsible for ensuring compliance from their accounts, including all Indirect Accounts, and any affiliated companies. A violation of this Policy by any Indirect Account or affiliated company will be deemed a violation by the Account, and may subject the Account, and if applicable, its affiliated companies, to the recourse schedule set forth herein. LGEUS, in its sole discretion, reserves the right to de-authorize any such Indirect Account that violates this Policy.

3. Communications

- A. UPP and MAP pricing is identified and communicated on the pricing roadmap distributed to Accounts by LGEUS from time to time ("Roadmaps"), and is referred to herein as the "Stated Price".
- B. LGEUS, in its sole discretion, may change or remove any products listed in the Roadmaps at any time.
- C. Any and all questions or requests for information regarding the application or interpretation of this Policy must be directed to hemarketplace.ops@lge.com. Please note that your sales representative and other LG employees are not authorized to discuss or modify any aspect of this Policy.

4. Applicable Activity

- A. Advertising: This Policy applies to all advertisements of all LGEUS products identified as either MAP or UPP products in any and all forms, including but not limited to TV, print, radio, internet, social media, flyers, brochures and any other forms of future promotion media known or unknown.
- B. Sales: This Policy applies to all distribution, including but not limited to wholesale, retail sales, offers to sell (e.g., advertising), sales as part of a dealer employee purchase or similar program, telephone sales, in-store sales, catalog sales, online sales, email campaigns, newsletters, electronic solicitations, e-coupon offers, mobile, smart device social media and any future means of distribution known or unknown.

5. Product Definitions

- A. "Model" is defined as an individual LGEUS Home Electronics ("HE") product identified with a model number and assigned UPC number.

- B. "Series" is defined a collection of similarly featured products, identified with a common nomenclature.
- C. For the purposes of this Policy, product series are not restricted to year. "Category" is defined as the following: OLED TV, QNED TV, NanoCell TV, Sound Bars, UHD TV, CAV, Monitor, Data Storage, Projectors and Laptops. The definition of Category may be modified by LGEUS at any time without prior notice.

6. Guidelines

- A. Advertising
 - i. All advertising for products must clearly state a price equal to or greater than the MAP or UPP Stated Price, whichever applicable, listed in the published Roadmaps that are distributed to Accounts by LGEUS from time to time; failure to list a selling price is a violation of this Policy. The following exceptions shall apply to this section:
 - i. MAP products where pricing is not shown until product is added to cart or after consumer logs into a secured site; or
 - ii. As otherwise decided by LGEUS, in its sole discretion.
 - ii. For UPP products, advertising, offering, or selling more than \$3.00 below the UPP Stated Price is a violation of this Policy, and subject to the recourse described herein.
 - iii. For MAP products, advertising or offering more than \$3.00 below the MAP Stated Price is a violation of this Policy, and subject to the recourse described herein. The only exception to this Policy is for MAP products where pricing is not shown until product is added to cart or after consumer logs into in a secured site.
 - iv. Any pricing changes to UPP and MAP products will be effective at 12:00 AM PST on the promotion start date unless otherwise stated in the pricing roadmaps.
 - v. Any advertisements, statements or implications which could indicate that a price is lower than the MAP or UPP Stated Price, other than what is approved by LGEUS in writing, may be considered a violation of this Policy.
 - vi. Any advertisements, statements or implications which could indicate that a price is lower than the UPP Stated Price may be considered a violation of this Policy.
 - vii. Any discounts applied to UPP products by a Marketplace or any third party which lowers the advertised price below UPP is a violation of this Policy. It is the sole responsibility of the Accounts or Indirect Accounts to opt out of any such discounts.
 - viii. Netting of applicable discounts such as instant rebates or global promotions is allowed for products identified as MAP only.
 - ix. LG specified model numbers must be shown when advertising prices or discounts for all LG Category products.
 - x. Promotional codes or point systems that correspond to actual currency or the selling price are a violation of this Policy.
- B. Value-added Offers may be offered by Accounts with a value of up to 10% of the MAP or UPP Stated Price after calculation of all rebates and offers from LGEUS. Value-added Offers may be offered in the following forms, but not limited to: Gift Cards, Bundles, Streaming Credits, Financing, Shipping & Handling, Delivery & Installation, Warranty services.
 - i. Value-added Offers, including account specific bundles, may only be advertised and/or listed for sale on dealer's own website and are prohibited from being advertised and/or listed for sale on any Online Marketplace, including any LGEUS Approved Online Marketplaces as stated in the LGEUS HE Internet Sales Authorization Agreement
 - ii. All Value-added Offers, including account specific bundles, are limited to (2) per series
 - iii. All Value-added Offers require prior approval from LGEUS. Proposals must be submitted to hemarketplace.ops@lge.com
 - iv. Financing, Shipping & Handling, Delivery & Installation and Warranty services do not apply towards the value-added threshold of 10% of the MAP or UPP Stated Price after calculation of all rebates and offers from LGEUS
 - v. Value-added Offers are in addition to any promotions or offers listed in LGEUS Roadmaps.
 - vi. Calculation of the value offer will be a reasonable market value determined by LGEUS in its sole discretion.

- vii. Gift cards may be offered as a Value-added Offer, with a purchase value of up to 10% of the MAP or UPP Stated Price after calculation of all rebates and offers from LG. For products identified as UPP, gift cards may only be offered for future purchases and may not be instantly redeemed at checkout.
- viii. All bundle proposals must be submitted to hemarketplace.ops@lge.com for approval and require an itemized breakdown of the offer.
 - i. Bundles that include components from other manufacturers may be proposed.
 - ii. LGEUS reserves the right, in its sole discretion, to reject or rescind previously approved bundles with components that have low performance ratings.
 - iii. Bundles may not be included in other promotions unless expressly authorized (i.e., "not "stackable").
 - iv. Bundles must be listed under the "LG" brand name.
 - v. Promotion or sale of bundles without prior authorization will be considered a violation of this Policy.
- ix. Value-added offers are prohibited on the following models:

Category	Model
OLED	OLED65R1PUA
OLED	OLED88Z2PUA
OLED	OLED97G2PUA

- C. Open Box products are defined as any product which have been used, returned, demoed or deemed "used-like new."
 - i. Open Box products are prohibited from being sold on any online Marketplace with the exception of eBay.
 - ii. Accounts may advertise Open Box products in-store, on dealer's own website and on the eBay marketplace only.
 - iii. Accounts may sell Open Box products at prices 15% below the MAP or UPP Stated Price provided that such products are clearly advertised as not factory new.
 - iv. Sales of Open Box product shall be limited to no greater than 5% of the total quantity of that model sold to the Account or Indirect Account.
 - v. Accounts must provide LG periodic SKU-level reporting of inventory and sell-through with "open box" sales specifically noted separately.
 - vi. LG reserves the right to audit (or have its authorized agent audit) individual transactions subject to this section of the Policy in order to assure Account compliance.

7. Recourse

- A. For products identified as MAP, advertising below the stated price listed in the published Roadmaps that are distributed to Accounts by LGEUS from time to time may result in LGEUS taking the following unilateral actions.
- B. For products identified as UPP, selling or offering for sale products below the stated price listed in the published Roadmaps that are distributed to Accounts by LGEUS from time to time may result in LGEUS taking the following unilateral actions.
- C. LGEUS reserves the right, in its sole discretion, to grant an exception, for example, if the violation is determined to be a mistake, error, or due to causes beyond the control of the Account, as determined by LGEUS.

UPP/MAP Recourse	
1st Violation	Formal Warning
2nd Violation	30-day suspension of model
3rd Violation	60-day suspension of ordering and receiving product series from LGEUS Withholding/forfeiture of any future trailing credits, spiffs, and any other marketing dollars for all sales of the violated product series for thirty (30) days starting on the date of LGEUS's notice.
4th Violation	De-authorization of series for one year

LGEUS reserves the right to change or discontinue this Policy unilaterally at any time, with or without prior notice.