



Arc Cardinal, 45 A Commerce Way, Totowa, NJ 07512

Arc Cardinal: U.S. Minimum Advertised Policy

Arc Cardinal Minimum Advertised Price (MAP) Policy

Updated October 18, 2021 / Effective December 15, 2021

Introduction and Policy Statement

Through this policy, Arc Cardinal aims to protect its values, principles and reputation for setting new standards of excellence through innovative product design, technological advancement and extraordinary customer service, and to encourage those reselling its products to provide effective service to the buyers of Arc Cardinal products. Arc Cardinal has unilaterally adopted a minimum advertised price (MAP) policy. This policy is applicable to all Arc Cardinal Resellers (meaning any reseller, distributor, sales representative or dealer).

This policy's terms supersede and replace any and all prior advertising policies or statements distributed by or on behalf of Arc Cardinal. This policy will help ensure long-term success of Arc Cardinal and its distribution network. Arc Cardinal will continue to give ongoing support to Resellers who position products with their perceived value in the market and who align with our own marketing objectives.

General Guidelines

This MAP Policy shall work under the following guidelines:

1. This is a unilateral MAP Policy and will be administered and enforced by Arc Cardinal in its sole discretion. This means that there is no agreement, side agreement or any mutual decision between a Reseller and Arc Cardinal to resell, market and/or advertise at any price. Each Reseller must independently and unilaterally set its own pricing within the following MAP Policy guidelines.
2. Arc Cardinal shall from time to time unilaterally establish a minimum advertised price ("MAP") for the Products. Pursuant to the MAP Policy, Resellers may not advertise or otherwise promote Products at a net price less than MAP and may not sell Products to any other person or entity which advertises or promotes Products at a net price less than MAP.
3. For purposes of the MAP Policy, the "net price" shall mean the published or advertised price that the Reseller makes the Product available to its customers taking into account all discounts, deductions, rebates, allowances, credits, charges, trade-ins, the separate price of products bundled with the Products by the Reseller, coupons, premiums, promotions, and any free goods, services and/or gifts offered with the Product. Customer paid taxes shall not be included in the determination of the "net price."
4. The MAP for any Arc Cardinal Product will be determined by Arc Cardinal and communicated to Resellers on the Arc Cardinal MAP Policy pricelist, which can be found on Arc Cardinal's Portal and website. A hard copy may be obtained by contacting the Arc Cardinal MAP Administrator below.
5. Not all Arc Cardinal Products are subject to this MAP Policy. This MAP Policy does not apply to products that are not listed on the Arc Cardinal MAP Policy Price List. Arc Cardinal reserves the right

to unilaterally modify or suspend the MAP with respect to all or certain products at its sole discretion upon seven (7) days' notice on our website.

6. The MAP Policy does not establish maximum advertised prices. All Resellers may offer Arc Cardinal Products at any price in excess of the MAP established for such Product.
7. Arc Cardinal monitors the advertised prices of resellers, either directly or via the use of third party agencies or tools. Resellers are expected to provide reasonable cooperation in any Arc Cardinal investigations regarding possible MAP policy violations. Hindering, obstructing, delaying, or otherwise failing to cooperate with an Arc Cardinal MAP policy investigation is a violation of the MAP policy. This policy is non-negotiable.

Advertising Guidelines

This MAP Policy shall work under the following advertising guidelines:

1. This MAP Policy applies to all advertisements of Arc Cardinal products in any and all print and digital media including, but not limited to the Internet, telephone, flyers, posters, coupons, mailers, inserts, circulars, newspapers, magazines, catalogs, email, text message or facsimile transmissions, all forms of Internet advertising including website display ads (for example, banner ads, pop-ups, floating ads, expanding ads, trick banners, etc.), text-based hyperlinks, podcasts and social media.
2. Resellers are not required to list prices in advertising. Statements such as "call for price," "call for quote," "text for price," or phrases of similar import are acceptable as long as the price advertised or listed for the products is not less than the MAP.
3. This MAP Policy applies strictly to advertised prices. It does not create minimum resale prices or in any way restrict the Reseller's ability to determine its own resale prices. Moreover, the MAP Policy is not intended to prohibit any Reseller from providing below MAP quotations on an individual basis in response to a specific request for quotation by an individual customer, provided such response is not automated and is given by person-to-person communication. "Person-to-person communication" means verbal and non-automated communications with a customer by telephone or in the Reseller's store. Resellers may indicate on their websites that customers may contact the Reseller directly for a price quotation. However, advertised inducements suggesting that prices below MAP are or may be available violate the MAP Policy.
4. Dealers, distributors or resellers may not make any statements, displays or communications on any website that state, imply or suggest that a lower price may be found at the online checkout if the MAP has already been advertised on the website. Any communications stating or implying that a price below the MAP may be found elsewhere on the site, that is initiated by the Reseller, would constitute advertising and would be deemed a violation of this MAP Policy. This MAP Policy will apply to any activity which Arc Cardinal determines, in its sole and absolute discretion, is designed or intended to sidestep the intent of this MAP Policy.
5. Under the MAP Policy, Arc Cardinal prohibits the use of split-screen, side-by-side advertising, or pop-ups to advertise a similar product of any other brand, including private label product. Arc Cardinal prohibits any dealer or distributor from directing (automatically, inadvertently or otherwise) an Arc Cardinal customer who is in search of an Arc Cardinal Product or item number to any other brand or private label product.
6. Pricing listed on an Internet site is considered an "advertised price" and must adhere to the MAP Policy until the Product is placed in the "virtual shopping cart." Once the pricing is associated with an actual purchase (an Internet order), the price becomes the selling price and is not bound by this MAP Policy.

7. You shall not list any Arc Cardinal Products on any third-party website, such as Amazon, eBay, Overstock, Walmart, etc. or any others, without prior written consent from Arc Cardinal. This includes items not subject to MAP pricing. Selling Arc Cardinal Products on your own website associated directly with your store(s) is permissible so long as this MAP policy is adhered to.
8. Arc Cardinal maintains the right to run temporary promotions at its discretion, and in such case, the Minimum Advertised Price will be the same as the temporary sale price on those particular items for that particular time period.

Policy Enforcement

1. Although Resellers remain free to resell and advertise Products at the price of their choosing, if Arc Cardinal verifies to its reasonable satisfaction that the Reseller has advertised or otherwise promoted a Product at a net price less than MAP or the Reseller has sold a Product to a person or entity which advertised or otherwise promoted a Product(s) at a net price less than MAP, Arc Cardinal will enforce the following violations (over a 12-month period):

1st Violation: Arc Cardinal will immediately notify the reseller and will allow 2 business days (48 hours) upon first violation to correct product pricing less than MAP. Failure to comply within 2 business days will be considered a 2nd violation.

2nd Violation: Arc Cardinal will immediately notify the reseller and will allow 1 business day (24 hours) upon second violation to correct product pricing less than MAP. If pricing below MAP is not corrected within said time frame, Arc Cardinal will immediately cancel all product(s) orders in violation of Arc Cardinal MAP policy and will refuse to accept any new orders on product(s) in violation from the Reseller for a period of 90 days. Arc Cardinal will cease selling the Product(s) to the Reseller while the MAP Policy remains in effect. Arc Cardinal will resume shipments to the reseller 90 days after pricing has been corrected.

3rd and Final Violation: Arc Cardinal will immediately notify the reseller that Arc Cardinal will immediately cancel all product(s) orders in violation of Arc Cardinal MAP policy and will refuse to accept any new orders on product(s) in violation from the Reseller for a period of one year. Arc Cardinal will cease selling the Product(s) to the Reseller while the MAP Policy remains in effect.

2. The only person authorized to answer questions regarding the MAP Policy and to comment on the MAP Policy, is the Arc Cardinal MAP Administrator. Therefore, all questions or comments regarding this MAP Policy shall be directed to Heidi Lineweaver via heidi.lineweaver@arcintl.com.

Arc Cardinal reserves the right at any time to modify, amend, suspend or discontinue this MAP Policy in whole or in part or designate certain periods during which the terms of the MAP Policy change or the MAP Policy is inapplicable. Resellers are responsible for observing the current version of this MAP Policy as well as the current MAP pricing.