



P.Y.I. INC.

MINIMUM ADVERTISED PRICE (MAP) POLICY

EFFECTIVE: JANUARY 01, 2025

(Supersedes all previous versions)

INCLUDES:

MAP POLICY

ADVERTISING GUIDELINES

QUESTIONS AND ANSWERS



MAP POLICY

Introduction

P.Y.I. Inc. ("PYI") hereby unilaterally announces and establishes its Minimum Advertised Price Policy ("MAP Policy") for its products. PYI has unilaterally determined that in order for its products to compete with other brands in the marketplace on the basis of total value, including quality, features, after-sale support, and price, it must ensure its products are properly positioned in advertising of all types, including, without limitation print, radio, television, Internet, online communication (e-mail, websites, and auctions), catalogs, trade shows, displays at consumer exhibitions and shows, direct-mail advertising, coupons, mailers, outdoor advertising, phone solicitations by dealers, advertising stuffers in monthly statements, and other media (collectively, "Advertising"). Furthermore, PYI establishes this MAP Policy due to the fact that reseller advertising and sales practices that promote PYI products primarily on the basis of price could be detrimental to resellers' service and support efforts and PYI's competitive position. Such activities can be harmful to PYI's brand, reputation and competitiveness, and allow some resellers to take advantage of the service and support efforts of others. Thus, PYI has unilaterally established this MAP Policy for its products and reserves the right to modify the MAP Policy at any time.

Application

This MAP Policy shall apply to all wholesalers, retailers, dealers, and resellers (collectively referred to as "Reseller(s)"). The specific products subject to the MAP Policy ("MAP Products") and the corresponding minimum advertised price ("MAP") will be identified in the applicable confidential Reseller price lists ("Price List") and periodic policy bulletins. PYI reserves the right to update or modify the Price List at any time.

- A. This MAP Policy does not apply to advertisements of the following:
1. Discontinued MAP Products. A MAP Product shall be considered discontinued under the MAP Policy only if such product does not appear on the current Price List or is specifically listed as discontinued in a written PYI policy bulletin or announcement.
 2. B Stock and Demo Units of MAP Products. MAP Policy will not apply if the following actions have occurred:
 - a. Reseller receives prior written confirmation from PYI that each unit qualifies as B Stock or Demo; **and**
 - b. The advertisement clearly and conspicuously states that each unit is B Stock or Demo.
 3. Used Units of MAP Products. MAP Policy will not apply if:
 - a. Each Unit was previously owned, rented or used by an end-user consumer; **and**
The advertisement clearly and conspicuously states that the product is "USED".
 - i. No additional descriptions may be used when advertising "USED" products. Additional descriptions which are not allowed include but are not limited to "like new", "new warranty", "resealed", "B Stock", "Demo", and "Reconditioned".



- B. **Resale Prices.** This MAP Policy pertains only to advertised prices of MAP Products and does not relate to the actual sales price of such MAP Products. Each Reseller is free to independently determine the price at which it resells the MAP Products. It shall not be a violation of this MAP Policy to advertise that a customer may "call for price" or "email for price", or to use similar language, specifically with respect to PYI Products, so long as no price is listed.
- C. PYI **does not** seek, nor will it accept, any written or oral, formal or informal, agreement with any of its Resellers regarding the prices that a Reseller may advertise or charge at any time for PYI's products. PYI recognizes that any authorized PYI's account can make its own decisions to advertise and sell any PYI product at any price it chooses without consulting or advising PYI.
- D. PYI neither solicits nor accepts any written or oral, formal or informal, agreement or assurance of compliance with this MAP Policy. PYI will not discuss any conditions of acceptance of this MAP Policy, as it is non-negotiable and will not be altered for any Reseller. THIS MAP POLICY IS A UNILATERAL DECLARATION OF POLICY BY PYI AND DOES NOT REFLECT OR CONSTITUTE AN AGREEMENT BETWEEN PYI AND ANY RESELLER, AND BY ISSUING THIS POLICY PYI IS NOT SEEKING ANY SUCH AGREEMENT.
- E. MAP Products may not be bundled with other non-MAP Products, any non-PYI products, gift cards or other similar items with a specific dollar value without express written consent of PYI.
- F. MAP Products may not appear in advertisements for site-wide, category, percentage or specific dollar amount discounts without the express written consent of PYI.
- G. From time to time, PYI may permit Resellers to advertise MAP Products at prices lower than the MAP price. In such events, PYI reserves the right to modify or suspend the MAP price with respect to the affected MAP Product(s) for a specified period of time by providing advance notice to all Resellers of such changes.

Violations

PYI, in its unilateral discretion, will not do business with any Reseller, as to the products covered by this MAP Policy, if that Reseller intentionally advertises any MAP Product below its MAP Price. PYI is confident that this program will strengthen its competitiveness and benefit all of its Resellers. PYI reserves the right, in its unilateral discretion, to take other action with respect to any reseller that violates this MAP Policy. The MAP Policy will be enforced by PYI in its sole discretion.

1. **Advertising below MAP.** Advertising MAP Products at prices stated below MAP (netted-down prices included, whether or not the ad explicitly states the netted-down price) will result in the following unilateral actions by PYI:



- A. **1st Violation within 12 month period** – A thirty (30) day suspension of Reseller’s ability to purchase the particular SKU involved in such violation (including suspension of all unfilled existing and new orders and shipments).
 - B. **2nd Violation within 12 month period** – A thirty (30) day suspension of Reseller’s status as an Authorized PYI Reseller (including suspension of all unfilled existing and new orders and shipments). Reseller must return any co-op advertising funds already received during the 12 month period.
 - C. **3rd Violation within 12 month period** – Indefinite revocation of Reseller’s status as an Authorized PYI Reseller for all product categories and products (including revocation of all unfilled existing and new orders and shipments). Reseller must return any co-op advertising funds already received during the 12 month period.
2. If a Reseller with multiple store locations violates this MAP Policy at any particular store location, then PYI will consider this to be a violation by all of the Reseller’s locations.
 3. PYI personnel are NOT permitted to discuss this Policy or make any agreements or assurances with respect to PYI’s Policy regarding Reseller advertising or pricing. This also includes any consumer program or promotion that affects the below-listed MAP Products.

Please review the “Advertising Guidelines” and “Questions and Answers” for more detail and information regarding this MAP Policy.



Advertising Guidelines

The following are examples of advertisements that are and are not consistent with PYI's MAP Policy. These examples are not exhaustive and PYI reserves the right to make its own unilateral determinations as to whether a particular practice is consistent with this MAP Policy, to change these examples, and to modify or amend the MAP Policy with respect to specific MAP Products and MAPs.

All references to prices in these guidelines are to advertised prices only, not selling prices.

ADVERTISEMENTS CONSISTENT WITH MAP POLICY	ADVERTISEMENTS NOT CONSISTENT WITH MAP POLICY
An ad stating a price at or higher than the MAP for that specific MAP Product.	An ad stating a price lower than the MAP price for that specific MAP Product, regardless of whether it is a one-time, "X hours only," Grand Opening, or other temporary sale.
<p>"Price too low to print."</p> <p>"Call for price."</p> <p>Advertising that generally promises to match or beat the advertised prices of the competition.</p> <p>Pricing that is communicated by individually addressed email or phone call to a specific user/customer that has requested a price quote.</p>	<p>MAP shown with a line through it, strikethrough, cancel sign, or other indication, sign, or symbol indicating a price below the MAP.</p> <p>For internet or e-commerce websites, showing a price below the MAP on any web page, popup, or window prior to the final "checkout" page that requires payment information. This includes, without limitation, "Click for Price," "Show Price," "Add to Cart for Price," "Place in Cart for Price," "Checkout Now," or similar links or buttons that show a price below the MAP upon clicking, rolling-over, or other activation, whether or not such activation navigates the user to a cart or any other page or window, unless it is the actual final checkout page that requires payment information.</p>
Advertising conducted by providing data feeds to online search engines for the purpose of generating "search hits" from online product searches, which advertising display final netted-down prices above MAP	Advertising conducted by providing data feeds to online search engines for the purpose of generating "search hits" from online product searches, which advertising display final netted-down prices below MAP.
Advertisements for free shipping, free installation, low interest financing, or other services along with the purchase of a MAP Product, provided that the ad does not show/subtract the value of the service along with/from the regular price to indicate a netted down price below the MAP, whether or not the ad actually states the final netted-down price.	<p>Advertisements for free products, gifts, or other items with the purchase of a MAP Product.</p> <p>Advertisements for free MAP Product with the purchase of another PYI product or any other product.</p>
<p>For Mail-In Rebates Paid Directly by PYI:</p> <p>The advertised, netted-down, after-rebate price is equal to or greater than the MAP less the rebate, whether or not the ad actually states the final netted-down price or just shows the regular price and the rebate amount, <u>and</u></p> <p>The words "mail-in rebate" are prominently placed in the ad, and the amount of the rebate and PYI's funding or direct payment of the rebate are clearly indicated.</p>	<p>For Mail-In Rebates Paid Directly by PYI:</p> <p>The advertised, netted-down, after-rebate price is less than the MAP less the rebate, whether or not the ad actually states the final netted-down price or just shows the regular price and the rebate amount, <u>or</u></p> <p>The words "mail-in rebate" are not prominently placed in the ad, or the amount of the rebate and PYI's funding or direct payment of the rebate are not clearly indicated.</p>



ADVERTISEMENT CONSISTENT WITH MAP POLICY	ADVERTISEMENT NOT CONSISTENT WITH MAP POLICY
<p><u>Example:</u> "PYI part # xxxx is \$170.95 after manufactures mail-in rebate of \$49, where part # xxxx is \$219.95"</p>	<p><u>Example:</u> "PYI part # xxxx is \$120.95 after manufactures mail-in rebate of \$49, where part # xxxx is \$219.95"</p>
<p>Two or more PYI MAP Products advertised for one price, if the total price is greater than or equal to the sum of the individual MAP prices.</p> <p>Example: Products A and B have MAPs of \$399.95 and \$299.95, respectively. If they are advertised for one price, and the advertised price is greater than or equal to \$699.90, then the ad is consistent with the MAP Policy.</p>	<p>Two or more PYI MAP Products advertised for one price, if the total price is less than the sum of the individual MAP prices.</p> <p>Example: Products A and B have MAPs of \$399.95 and \$299.95, respectively. If they are advertised for one price, and the advertised price if less than \$699.90, then the ad is not consistent with the MAP Policy.</p>



MAP Policy Questions and Answers

Q: What is MAP?

A: MAP stands for Minimum Advertised Price. MAP Policy refers to this unilateral Minimum Advertised Price Policy, which began on the effective date listed on the cover sheet of the Minimum Advertised Price Policy documents.

Q: Why did PYI implement this MAP Policy?

A: PYI's objective is to have its products compete with other brands in the marketplace on the basis of total value, including quality, features, after sale support, and price. PYI has established this MAP Policy in an effort to ensure long-term viability of its brands and to help protect the investment of those Resellers that provide valuable services to their customers.

Q: How does MAP work?

A: PYI has always exercised the right to select its reseller network. In doing so, it considers a number of factors, including advertised pricing. PYI unilaterally implemented this MAP Policy and has determined specific minimum prices at or above which it believes Resellers should advertise MAP Products in order to remain Authorized PYI Resellers. PYI has the unilateral right to deal with Resellers who choose to operate consistently with this MAP Policy, and to not deal with those Resellers who choose not to operate consistently with the terms of this MAP Policy.

Q: Does the MAP Policy require a Reseller to agree to advertise at or above the MAP?

A: No. PYI is not requiring Resellers to agree to the MAP Policy or its requirements and will not enter into any such agreements or entertain any offers of such agreements. PYI unilaterally implemented this MAP Policy as its own policy, and advises Resellers that, in unilaterally determining a Reseller's eligibility to continue as an Authorized PYI Reseller, PYI will consider whether Reseller chooses to operate within the MAP Policy.

Q: Does the MAP Policy affect selling prices?

A: No. Resellers are free to resell MAP Products at any price of their choice. The MAP Policy only provides requirements relating to advertised prices for MAP Products.

Q: What happens if a Reseller chooses to advertise MAP Products below the MAP?

A: Resellers may choose to advertise MAP Products below MAP. However, in that event, PYI will, in its sole and absolute discretion, unilaterally suspend or revoke such Reseller's designation as an Authorized PYI Reseller, with respect to some or all of PYI products (as set forth in the MAP Policy), including suspension or revocation of all unfilled existing and new orders and shipments and the return of any co-op advertising funds already received for the MAP period



Q: What are examples of communications to which the MAP Policy applies?

A: The MAP Policy applies to all catalogs, coupons, coupon codes, promo codes, flyers, inserts, magazines, mail order catalogs, mailers, postcards, newsletters, newspapers, posters, billboards, auctions, trade shows, displays at consumer exhibitions, television and radio advertising, internet-based advertising, including without limitation, newsletters, e-mail solicitations, call for newsgroups, Internet "lists", website advertising, Internet auctions, and electronic billboards. Please see the Advertising Guidelines for more detail.

Q: Can PYI change the MAP on a product?

A: Yes. PYI reserves the right to change the MAP on a MAP Product and to temporarily or permanently add or remove MAP Products in the Price List and policy bulletins. Resellers will be notified in writing, via e-mail, or other specified methods of any changes.

Q: What kinds of communications with customers are not subject to the MAP Policy?

A: In-store signs are not considered to be using media. Answers to price questions directed to specific customers who have made or sent inquiries or requests for price to a Reseller are considered consumer-initiated. Both of these are considered "offers for sale" not advertising.

Q: Will a Reseller that chooses not to follow the MAP Policy be warned?

A: No. PYI will not provide any advance warning.

Q: If a Reseller tells PYI that another Reseller has chosen not to operate consistently with the MAP Policy, may PYI act on this information?

A: PYI will not discuss its monitoring or investigative efforts with any Reseller, and Resellers should not discuss or inquire about such efforts. Resellers are also not permitted to undertake their own enforcement of this MAP Policy against other Resellers.

Q: Once revoked, can a Reseller be reinstated as an Authorized Reseller?

A: It is possible for a revoked Reseller to be reinstated. However, the Reseller must not communicate with PYI regarding Reseller's advertising practices that are subject to the MAP Policy, discuss or give PYI any assurances about its future advertising or pricing plans, or request any second chances from PYI. The decision whether and if so, when to reinstate any Reseller as an Authorized Reseller for PYI are in PYI's sole and absolute discretion, and PYI will not consider nor accept any Reseller statements or input.



Product Category	Retail MAP	Wholesale MAP
Max-Prop	10%	10%
Fendertex	10%	10%
Jefa Rudder	10%	10%
Jefa Steering	10%	10%
KiwiGrip	15%	30%
Lecomble & Schmidt	10%	10%
R&D Marine	20%	30%
Hose Clamps	20%	30%
Clamp Jackets	20%	30%
Floor Anchors	20%	30%

The above represents the maximum allowed advertised discounts off of list pricing.