

**MINIMUM ADVERTISED PRICE (“MAP”) POLICY
MARLEY ENGINEERED PRODUCTS LLC (“MEP”)
MEP AUTHORIZED RESELLERS**

Effective February, 2020

Marley Engineered Products, LLC (“MEP”) has a long history of providing the highest quality and most reliable, comfort heating and ventilation solutions in the marketplace as evidenced by a strong consumer following. MEP’s commitment to customer satisfaction is rooted in its innovation, quality, and progressive products, and the MEP brand has become synonymous with world-class products, outstanding customer service, and product support. This breadth of quality products, innovative solutions and customer focus positions MEP to be a marketplace leader. MEP has a significant investment in maintaining this consistent, high quality and performance brand image. MEP, therefore, believes that its products should be advertised at prices that reflect the true value of its products. To serve this purpose and properly position MEP products in today’s market, MEP’s Minimum Advertised Price policy (“Policy”) applies to select MEP products (“MAP Products”), in its MAP Products and MAP Price Listing located with the Policy at [LINK](#). This policy applies to U.S. and Canadian Authorized Resellers of all MAP Products only.

In a unilateral policy decision, concerning the marketing and sale of its products and in furtherance of its independent business strategy, MEP determined that the MAP Products should not be advertised at a price less than the MAP Price as designated by MEP (hereinafter the “MAP Price”) and adopted in this Policy. MEP reserves the right to modify the Policy and the MAP Products and MAP Price Listing (hereinafter the “Listing”), to which this Policy applies, with periodic updates to the Policy and/or Listing at [LINK](#). MEP will apply any such revised or updated policy regardless of whether any Affected Authorized Reseller has actual notice of the changes. Authorized Resellers may wish to check the Listing online regularly and to know which Products are covered by this Policy. This Policy applies to all advertisements of MAP Products aimed at the general public in any and all media, including, without limitation, inserts, newspapers, magazines, catalogs, mail-order catalogs, public signage, other print media, television, radio, flyers, posters, coupons, brochures, e-mail, internet websites, e-commerce, social networks, banner ads, landing pages, any method which uses the hypertext transfer protocol (http) or any internal link to a web based shopping cart, and other electronic media (collectively, the “Advertisements”). The price of MAP Products included in any Advertisement shall be the “Advertised Price”.

This Policy applies to Advertised Prices only and in no way limits the Authorized Reseller from setting the price at which the Product is actually sold to an end customer. Each Authorized Reseller otherwise remains free to independently establish its own retail prices. To be eligible for uninterrupted and continuous supply of MEP Products, Authorized Resellers must be in compliance with this Policy.

MEP unilaterally implemented this MAP Policy in accordance with its right to choose the Authorized Resellers with whom it wishes to deal. MEP is not asking or requiring Authorized Resellers to agree to any aspect of this MAP Policy. Importantly, Authorized Resellers remain free to determine if they wish to follow the MEP MAP Policy or not. MEP is implementing the MAP Policy as its own policy and advising Authorized Resellers that there will be certain consequences if they advertise MEP products at prices less than the applicable designated MAP Price.

This Policy is administered and enforced unilaterally by MEP and is non-negotiable. MEP has the right to revise any terms of this Policy, at any time, and to interpret, enforce and otherwise handle all questions and issues related to the Policy, in its sole discretion. Advertisements that do not comply with MEP’s Policy will be considered in violation and, without assuming any liability, MEP will issue written Notification of Violation by email to the Authorized Reseller of its failure to follow the Policy and execute the Schedule of Consequences as set forth below. MEP will consider each violation based on its own facts, and any decision by MEP to impose a consequence pursuant to this Policy cannot be appealed. MEP may, however, unilaterally decide to review an Authorized Reseller’s status after an independently determined period of time. MEP has the right, but not the obligation, to monitor, review or audit resellers' advertising media, regardless of form, for compliance with this Policy. Any failure by MEP to require compliance with any provision of this Policy will not operate as a waiver to require future compliance with the Policy.

CONFIDENTIAL

MEP has not and will not seek consultation or negotiate with any Authorized Reseller regarding this Policy or MAP Pricing. MEP employees and representatives are not authorized to discuss any aspect of this MAP Policy, including the meaning or interpretation of this Policy. All inquiries, questions or communications regarding MEP's MAP Policy, should be directed to MEP's Minimum Advertised Price Policy Administrator by e-mail at MAPenforcement@marleymep.com. If any Authorized Reseller believes that any person associated with MEP has made an effort to depart from this Policy by attempting to agree or agreeing on a price at which the Authorized Reseller will advertise, quote, or sell a MAP Product, then the Authorized Reseller should immediately notify MEP in writing at the address provided above.

This MAP Policy is effective immediately and will remain in effect until further written notice from MEP's MAP Administrator. This Policy supersedes any and all prior policies established by MEP on the same subjects. MEP reserves the right to revise this Policy or its Products and Price Listing at any time and in any respect. MEP intends that, when and if it does, change this Policy, those revisions will be provided to Authorized Resellers in writing, via email, or through such additional means as designated by MEP.

This Policy document is provided for information and reference only. Nothing in MEP's MAP Policy or Listing is to be construed as an agreement between MEP and any Authorized Reseller on the resale price of MEP products. MEP does not seek and will not accept any such agreement. It does not constitute an agreement and is not incorporated into Authorized Reseller's Authorized Reseller Agreement by reference.

The terms of this Policy are Confidential and may not be disclosed to other parties.

I. MAP GUIDELINES

This Policy applies to all MAP Products and any future MAP Products added to the MAP Products and MAP Price Listing located at [LINK](#).

1. Authorized Resellers are free to advertise MAP Products at any price equal to or higher than MAP Price. At Authorized Reseller's option, the advertised price may be netted down to show the final price (in addition to showing the MSRP).
2. Authorized Resellers cannot publish any MAP Product at a net price lower than the current MAP Price at the time of the advertisement or promotion either online or offline in 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.
3. Any violation by an Authorized Reseller is the responsibility of that Authorized Reseller only. There are no third-party beneficiary rights to this Policy.
4. Authorized Resellers may, but are not required to, advertise that customers may contact the Authorized Reseller to learn the actual sale price, such as "call for a price" or "email for a price". For "email for a price," any response must be individualized and not an automated or auto-generated response.
5. A "click for price", "mouse over for price", "see price in-cart", "add to-cart for lowest price" button, or any other method on a website intended to solicit potential customers to put the product in a cart that ultimately displays a price lower than the MAP Price is a violation of this Policy.
6. Promotional gift cards, instant rebates, discounts, coupons and other promotional activities that effectively lower the advertised price below the MAP are not permitted, when shown on the same page prior to "Checkout", same email or same ad as the MAP Products.
7. This Policy also does not apply to advertisements that simply announce discounts, rebates, coupons, and other promotions without including an Advertised Price for a specified MAP Product or other products. The Policy does not in any way limit the ability of Authorized Resellers to advertise any MEP

sponsored rebate offer, when applicable, and to offer that rebate in addition to any discount offered as part of the MAP Price.

8. Notwithstanding guideline 5, above, the Policy shall not apply to the final "Checkout" stage for online purchases, provided that:
 - The consumer has acted in a deliberate manner to "go to Checkout" or "make purchase payment," by clicking on buttons designed for such purpose;
 - The consumer's personal information is required, most commonly name and address, or login information that is inclusive of this 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."
9. Promotional codes or coupons may be entered only at the "Checkout" stage. The manner in which an Authorized Reseller communicates the existence of such coupons or additional discounts is subject to the Policy.
10. MEP-Sponsored rebate programs, free shipping and/or handling and free financing promotions will not be deemed to lower the effective advertised price of a MAP Product under this Policy.
11. Applicable taxes paid by the Authorized Reseller's customer are not included as part of the MAP Policy.
12. Bundle promotions created by an Authorized Reseller that advertise specific MEP branded products, and which are not sponsored by MEP, shall meet the following guidelines:

If an Authorized Reseller advertises a bundle of products, which includes MAP Products, the Authorized Reseller must advertise the price or value of the MAP Products at or above MAP Price.
13. The Policy does not in any way limit the ability of any Authorized Reseller to advertise that "they have the lowest prices", that they "will meet or beat any competitors price", or that prices are "too low to show", provided the Advertised Price is not less than MAP Price.
14. At its own discretion, MEP may, from time-to-time, allow Authorized Resellers to advertise specified MAP Products below MAP Price, such as during a defined promotional period. In that event, MEP will notify Authorized Resellers through an authorization letter, issued in writing, via email, or through such additional means as designated by MEP, defining the promotional period and any applicable terms and conditions.

II. SCHEDULE OF CONSEQUENCES FOR VIOLATING MAP POLICY

General

- Counting of Policy violations applies once for each advertisement vehicle containing a violation, regardless of whether that advertisement contains more than one violation. For example, if two MEP branded product model electric heaters on one circular advertisement are found to be in violation, that would constitute as one violation. For online advertising, each day of violation would constitute as one violation. For example, if two MEP branded product model electric heaters listed online are found to be in violation in one calendar day; that would constitute as one violation.
- If an Authorized Reseller is on notice of a violation, but fails to fully satisfy the complete terms of the corresponding Consequence (shown in table below) specified by this Policy, such failure would count towards a new instance of violation.
- MEP shall, at its sole discretion, determine the MAP Product among the MAP Products that has been in non-compliance of this Policy, for which the Consequence of a violation applies. For

example, First Violation was on MAP Product “A” and Second Violation was on MAP Product “B”. MEP shall have the discretion to choose whether MAP Product “A” or “B” cannot be listed in Advertisements for the designated period of time.

- At the end of each calendar year, effective midnight on December 31st of that year, all violations are dismissed such that Authorized Reseller shall have no Violations remaining.
- The Violation Schedule below applies to each of the MAP Products.
- In addition to the specific Consequences outlined in the table below, without assuming any liability, MEP may:
 - a. In the event of a printing error, require an immediate, formal retraction on all offending Advertisements (such retraction must be issued as soon as possible, but no later than one week after the error).
 - b. After the fifth violation, MEP, at its sole discretion, may buy back any remaining sellable inventory of a MAP Product (as determined by MEP, according to the guideline above) of the Authorized Reseller via one of its distributors. Reseller will be responsible for freight and other related charges.
 - c. Terminate the Reseller’s authorized status.
- **The details of MEP’s enforcement decisions will be strictly between the Authorized Reseller that has violated the MAP Policy and MEP.**

Violation Schedule on Print and Online Advertising

MEP will notify Authorized Resellers of Violations of this Policy via Notice of Violation sent by email to the Authorized Reseller.

Violation	Consequence
First Violation	Notice of Violation by email to the Authorized Reseller with a requirement to fix the Violation within 24-48 hours.
Second Violation (within a 12-Month Calendar Period)	MEP will terminate advertising co-op payments to the Authorized Reseller for a period of up to 60 days from the date on the Notice of Violation.
Third Violation (within a 12-Month Calendar Period)	MEP will suspend the Authorized Reseller and cancel outstanding orders for a period of 90 days.
Fourth Violation (within a 12-Month Calendar Period)	MEP will suspend the Authorized Reseller and cancel outstanding orders for a period of 180 days.
Fifth Violation (within a 12-Month Calendar Period)	Authorized Reseller will lose the privilege to purchase the MAP Product in Violation for (a minimum of 1 year or) the life of that Product AND cannot list that MAP Product online or in any Advertisements for the life of that Product.
Sixth Violation (within a 12-Month Calendar Period)	Authorized Reseller will lose the privilege to purchase all MAP Products for (a minimum of 1 year or) the life of all MAP Products AND cannot list any MAP Product online or in any Advertisements for the life of all MAP Products.

In all instances after the First Violation, the reseller will have five (5) business days from the date of MEP’s notice to correct the violation and comply with this Policy. If the reseller does not correct the violation within the five (5) business-day period, then then the reseller will be deemed to have committed a subsequent violation of this Policy and MEP may proceed as described herein.