

## **SAVOX - MINIMUM ADVERTISED PRICE POLICY**

SAVOX customer loyalty and brand name value are maximized when its high quality products are marketed, sold, and serviced by knowledgeable sales people with the resources to provide quality service both before and after the sale. In a very competitive industry, SAVOX success versus other brands is dependent upon customer loyalty and high brand name value. It has been SAVOX experience that those retailers who advertise products at discounted prices often fail to provide adequate service both before and after the sale. This results in a reduction of customer satisfaction and brand name value; impedes the ability of quality retailers to sell SAVOX products; and harms SAVOX ability to compete against other brands. Such retailers may also “free ride” on other SAVOX retailers who must charge higher prices to support quality service and the promotion of SAVOX products. Therefore, until further notice is given, it is the policy of SAVOX that:

1. SAVOX will assign a Suggested Retail Price and a Minimum Advertised Price (“MAP”) to its products. (please refer to the current Price List). The Minimum Advertised Price reflects SAVOX’s unilateral determination that to permit retailers to advertise the sale of SAVOX products below such price will erode SAVOX quality distribution system and superior product image, and will encourage “free riding” on the service and investment of other SAVOX retailers. Therefore, all advertisements may not offer SAVOX products for sale for less than the Minimum Advertised Price.
2. This MAP policy shall apply to all forms of advertising, including but not limited to: • Print ads (inserts, magazines, newspapers, etc.) • Broadcast (radio and TV) • Direct mailers, including email • Faxes • Newsletters (whether in print or electronic form, and whether specifically requested or not) • Internet displays, including banner ads, broadcast emails, automatic emailed price lists, destination pages and third-party sites • Billboards.
3. Retailers who advertise SAVOX products for sale at a price below the Minimum Advertised Price, or at a “call or email for price,” shall be deemed to have violated this policy.
4. Retailers who advertise give-aways or discounts on merchandise in connection with the purchase of a SAVOX product shall be deemed to have violated this Policy if the price of the SAVOX product, minus the market value of the advertised giveaway or discount, is less than the Minimum Advertised Price. SAVOX sponsored or approved promotions are an exception to the rule.
5. Retailers who advertise a flat percentage off the marked price or distribute coupons giving the holder a flat percentage off the marked price on SAVOX products, or who engage in any similar advertising practice, shall be deemed to have violated this Policy if the advertised price of the SAVOX product, minus the market value of the advertised give-away or discount, is less than the Minimum Advertised Price.
6. Any statements in a retailer’s advertising that undermines or attempts to undermine this Policy, including any direct statements about SAVOX MAP policy, shall be deemed to be a violation of this Policy.
7. It is not the purpose or intent of this Policy to restrict, coerce, or force a retailer to charge a particular price for any SAVOX product. The Policy is not a contract or agreement, or an offer to form a contract or agreement. SAVOX does not ask for, and will not accept, any agreement about an account’s compliance with this Policy. This Policy simply describes the manner in which SAVOX chooses, in its sole discretion, to advertise its products.
8. Any advertisement that violates any of the Policies contained herein shall result in the immediate termination of the Retailer’s authorization to sell the product that is the subject of the advertisement.
9. SAVOX reserves the right to change or discontinue this Policy at any time, and no account has any right to rely on the continued existence of this policy or any effort by SAVOX to enforce it.
10. SAVOX always reserves the right to choose those retail accounts with which it will do business and the right to accept or reject any purchase order from any account at any time.
11. SAVOX Sales Representatives are strictly prohibited from discussing this Policy with any account. SAVOX Sales Representatives are strictly prohibited from seeking or accepting any assurance of account compliance with this Policy.
12. SAVOX will not discuss the business dealings of any retail account with any other account. Therefore, SAVOX does not seek any complaints or comments from its accounts about the advertising practices of any other accounts. SAVOX intends to act in its sole interest, based on its own decision, in addressing violations of this Policy.
13. SAVOX Sales Representatives are not permitted to discuss or influence pricing policies with retailers. This policy addresses advertised pricing only, and retailers must make their own decisions regarding what they will actually charge for SAVOX products. SAVOX Sales representatives have been instructed to limit their activities with respect to this Advertising Price Policy to distributing a copy of the Policy to a retailer and informing the retailer of SAVOX Suggested Retail Prices and Minimum Advertised Prices for SAVOX products. Should you have any questions regarding this policy and its enforcement, please contact HRP Distributing’s Customer Service at 801-978-9500.