

## **Weasler Engineering, Inc.**

### **Minimum Advertised Price Policy**

*Effective upon receipt*

#### **Introduction and Purpose**

Weasler Engineering, Inc. (“Weasler”) is a manufacturer of high-quality Power Transmission Products. Weasler believes that it is important that its Distributors provide appropriate high-quality sales assistance and service to customers considering Weasler products. Weasler recognizes that Distributors who purchase Weasler Power Transmission Products for resale to others, invest time and resources to deliver an extraordinary customer experience through knowledgeable staff, compelling product presentation and training, and other unique offerings and services. To support our Distribution efforts, Weasler Engineering, Inc. will establish a policy that encourages Distributors to continue to maintain the high level of excellence that customers have come to associate with Weasler Engineering, Inc. products and distributors.

This Minimum Advertised Price Policy (“MAP Policy”) is a unilateral policy establishing requirements for Minimum Advertised Prices by Weasler’s network of distributors, dealers, sellers, and resellers, authorized or otherwise (“Distributor,” collectively “Distributors”) of Weasler products. Weasler does not control the actual sale price to end users in the marketplace. Distributors have the ability and discretion to independently sell all products at any price they choose. It is the responsibility of the Weasler Distributor to govern its dealers, sellers and resellers adherence to this policy and to communicate any nonconformity to this policy.

End customers rely on advertising and online product research to help establish the value of products they purchase. This Minimum Advertised Price and Internet Sales Policy is intended to ensure that Weasler branded products are promoted in the marketplace with the appropriate value and brand equity. Advertising and promotional activities play a crucial role in strengthening the image, reputation and equity of these brands in each market segment that Weasler serves.

It is Weasler Engineering, Inc.’s Policy that no Distributor may use Weasler’s trademarks, trade names or service marks, or any of its copyright materials or other intellectual property or proprietary rights, and collateral materials (collectively “Weasler IP”), in any advertising, internet sales, or otherwise except in accordance with the implied license granted to Distributors through their appointment as a Distributor (“License”). Further, Weasler has adopted this MAP Policy in order to ensure that the reputation and goodwill of the Weasler IP is maintained or exceeded. The License shall be terminated automatically and immediately if the Distributor does not comply with this MAP Policy.

Weasler Engineering, Inc. reserves the right to revise its Limited Warranty to reduce coverage available to customers obtaining products from Distributors who are not compliant with Weasler’s policies including, but not limited to, the MAP Policy.

This Policy benefits both Distributor and Weasler Engineering, Inc. by requiring that Distributors adhere to the Minimum Advertised Price and Internet Sales principles established herein.

#### **Minimum Advertised Price Policy**

##### **Overview**

- Weasler products identified in Weasler’s MAP Price List (attached hereto, but subject to amendment from time to time) are covered by the terms of this Policy. Used, open box, damaged, or otherwise recycled Weasler products are not covered under this Policy.

- It is a violation of this Policy for Distributors to advertise a price for a new, unused product or part from Weasler below the Minimum Advertised Price (“MAP”), as established by Weasler.
- Products covered by this Policy and their respective MAP may be updated from time to time in Weasler’s sole discretion to include, without limitation, new products and special promotions or rebates. Updates to this Policy and/or MAP Price List will be communicated to Distributors via email.
- Advertisements of Weasler products covered by this Policy must contain an advertised price greater or equal to the products’ respective MAP, the respective SKU as set forth in the MAP Price List, and the respective product name as set forth in the MAP Price List.
- Products and parts can be sold by Distributors at any price, including a price below the Minimum Advertised Price established by Weasler. This Policy only prohibits Distributors from advertising products and parts below the MAP, but not from selling products and parts below the MAP.
- Products that are “used” may be advertised at any price, as long as the product is clearly marked as “used” and cannot be perceived by the end customer as new.
- This policy applies to non-current models. Any advertising of non-current models must include the price and specific model number for the product and clearly indicate that the product is a non-current model.

### **Advertising**

- Advertising is defined as listing a price for a specific SKU/part number or referring to product-specific coupons, rebates, product giveaways, “name-your-price,” and other promotional offers, that have the effect of lowering an advertised price.
- Advertising media include, but are not limited to:
  - Television
  - Radio
  - Print including newspapers, flyers, circulars, classified ads
  - Billboards
  - Internet banner, pay-per-click and search ads, including Google AdWords
  - Mobile ads
  - Distributor website
  - Third party retail websites including Amazon.com, Ebay.com, Walmart.com
  - Online classified ad websites including Craigslist.org
  - Marketplace sites including Facebook and Sears.com
  - Social media including, but not limited to, Facebook, Linked In, Twitter and Instagram
  - Direct mail via U.S. or Canadian Postal Service
  - Email, mobile or text messaging
  - New advertising media as they arise
- Advertising practices that have the effect of reducing the advertised price below the MAP violate this Policy. Such practices include, but are not limited to, use of "Click to See Pricing" (or similar promotions) in internet sales to reveal an advertised price below the MAP, as well as combining a product subject to this Policy with a "free" product or in a "package" with other products or with a discount coupon.
- It shall not be a violation of this MAP Policy to advertise in general that the Distributors has “the lowest prices” or will match or beat its competitors’ prices, or to use similar phrases; so long as the Distributor does not include any advertised price below MAP and otherwise complies with this MAP Policy.

### **Questions**

- If any Distributor has questions about this Policy, or wishes to report information concerning prices advertised by another Weasler Distributor, a written correspondence, via e-mail or letter, must be sent to: [aftermarketsales@weasler.com](mailto:aftermarketsales@weasler.com).
- No representative of Weasler is authorized to provide or obtain pricing information from any reseller either orally or in person. All correspondence between Distributors and Weasler regarding this Policy must be submitted in writing, as noted above.

**Enforcement of MAP Policy**

Weasler reserves all rights to unilaterally enforce this MAP Policy through various actions. Any and all violations of this Policy will be determined at the sole discretion of Weasler. Distributors who do not abide by this MAP Policy will be subject to the following consequences in Weasler’s sole discretion:

<b>First Violation</b>	Formal warning issued to Distributor. Distributor must correct advertised pricing to match the MAP within in 48 hours of receipt of warning. Failure to do so will result in being placed on a “Do Not Sell” list until resolved.
<b>Second Violation (including failure to cure First Violation within 48 hours)</b>	10 business day drop ship and/or ordering ban on all Weasler part numbers and products. Distributors must correct advertised pricing to match the MAP within in 48 hours of receipt of warning. Failure to do so will result in being placed on a “Do Not Sell” list until resolved.
<b>Third Violation (including failure to cure Second Violation within 48 hours)</b>	30 business day drop ship and/or ordering ban on all Weasler part numbers and products. Distributor must correct advertised pricing to match the MAP within in 48 hours of receipt of warning. Failure to do so will result in being placed on a “Do Not Sell” list until resolved.
<b>Additional Violations</b>	Any further violations may involve the loss of all contract “add on” perks and programs, and/or an extended or indefinite ordering ban on all Weasler products and being placed on a “Do Not Sell” list.

This Policy applies 24 hours a day, 7 days a week, 365 days a year, absent Weasler providing prior written notice or approval of targeted marketing campaigns or special promotions. Weasler reserves all legal and equitable rights with respect to its MAP Policy and, at its sole discretion, may from time to time, alter, modify, suspend, or cancel this Policy with or without notice.

**Future Changes**

Weasler reserves the right to modify this Minimum Advertised Price Policy at any time, upon notice to Distributors, when changes are made.