



MINIMUM ADVERTISED PRICE (MAP) POLICY
FOR BROAN, NUTONE, BEST AND VENMAR PRODUCTS
Version 3.0

Venmar Ventilation ULC is one of the premier residential product companies in Canada. At Venmar Ventilation ULC, we maintain a significant investment in a consistent brand image emphasizing quality and style for our products. In keeping with this image, we believe our products should be advertised at prices that reflect and protect the value of our brands. We also expect that distributors and retailers of Broan, NuTone, Venmar and BEST products (collectively referred to as "resellers") will maintain the high standards and brand image for those products. Authorized B Venmar Ventilation ULC resellers must properly promote Broan, NuTone, Venmar, BEST products and take the time to learn about them to properly serve customers and enjoy the rewards of their work. For these reasons, Venmar Ventilation ULC is announcing and implementing this Minimum Advertised Price ("MAP") Policy for Broan, NuTone, Venmar and BEST products.

This MAP Policy will apply to all Venmar Ventilation ULC authorized resellers that sell, distribute, promote or advertise Broan, NuTone, Venmar and BEST products. This Policy is in addition to and separate from all other Venmar Ventilation ULC programs and policies.

1. SCOPE OF POLICY

This MAP Policy applies to all advertising and promotion of Broan, NuTone, Venmar and BEST products identified on the SKU/price list provided to all customers, and updated quarterly (the "Products"). This includes, without limitation, placements on websites (including Amazon, E-Bay, etc.), social networks (including Facebook, Instagram, Twitter, etc.), banner ads, broadcast e-mails, landing pages and all other electronic media. It applies to all other media as well, including without limitation advertisements or promotions run in the following forms of media (subject to the Exclusions set forth below):

- Television
- Radio
- Direct mail
- Flyers (print and digital)
- Product guides
- Magazines, inserts and brochures
- Mailers, coupons, promotion codes and catalogs
- Posters and flyers
- Newspapers
- Public signage (excluding in-store signage)
- Email

This MAP Policy does not apply to advertising, promotion or personal selling that occurs within a reseller's retail store (including in-store price tags and in-store signage), or to any personal face-to-face or telephone communication between reseller and the customer.

This MAP Policy applies only to advertised prices and does not apply to the price at which the Products are actually sold to the customer. All resellers remain free to sell the Products at any prices they choose.

Venmar Ventilation ULC does not seek, discuss or accept, any agreement or assurance from resellers concerning the prices at which they decide to sell the Products.

It is the responsibility of the reseller to maintain and communicate to Venmar Ventilation ULC an active contact person and email address for all communications related to the MAP Policy enforcement and updating.



2. THE MINIMUM ADVERTISED PRICES

The MAP for each of the Products covered by this MAP Policy is set forth in the SKU/price list provided to all customers. This list will be revised quarterly and communicated by Venmar Ventilation ULC to customers through the MAP Administrator. From time to time, Venmar Ventilation ULC may choose to offer special promotions on certain Products. In such an event, Venmar Ventilation ULC reserves the right to modify or suspend this MAP Policy, in whole or in part, by notifying resellers of the duration and nature of the change.

Certain products or product lines may be added or dropped from this MAP Policy at Venmar Ventilation ULC's sole determination and certain products may be placed on promotional MAP pricing for periods of time. Venmar Ventilation ULC will provide authorized resellers with notice if products are added or dropped or amended.

3. GUIDELINES FOR ADVERTISING AND PROMOTING PRICES

The following Guidelines describe the rules that apply to the advertisement and promotion of the Products subject to this Policy:

- a. Resellers are not required to indicate pricing for the Products in any media. However, if they do, the advertised or promotional price of the Products cannot be less than the MAP price for those Products.
- b. Resellers may advertise the Products at any price in excess of the MAP.
- c. Resellers may not sell Products to any other resellers that advertise or otherwise promote the Products in any media by indicating a price that is less than the MAP or that otherwise violates this MAP Policy. Resellers will be deemed to be in violation of this Policy if they sell to or through other resellers who violate this Policy.
- d. Resellers may confirm on their websites that they set the actual prices for the Products and that lower prices may be available at reseller's showroom or physical retail location. For example, reseller may make use of the phrases, "Reseller sets actual retail price" and "Please visit Reseller's showroom at [physical location] to inquire about special promotional offers."
- e. Resellers may not circumvent this Policy by using phrases in their advertisements or promotions for the Products that indicate their selling price, such as "We'll Beat Any Offer by X%," "Cheapest Prices Available," or other phrases similar in wording or intent, even if such materials do not state a specific price.
- f. The "shopping cart" or "checkout" price on an Internet website is not considered an advertised price and is not subject to this MAP Policy. Once a customer reaches the point of checkout via shopping cart on his or her own, reseller may offer the customer special discount codes for discounts or promotions for the Products, which reseller may determine in its sole discretion.
- g. Reseller may not promote or advertise rebates or discounts on the Products that reduce a price below the MAP price (unless authorized in writing by Venmar Ventilation ULC).
- h. On all website(s) owned or controlled by Reseller, Reseller must disable online "cookies" that allow the Products to appear on personalized home pages or customized customer landing pages at prices below the MAP prices for such Products.
- i. The listed items on Attachment A give further guidance as to what will and will not be considered violations of this MAP Policy. It is for illustrative purposes only and is not an exhaustive list.
- j. The following actions are not prohibited in any advertising or promotion for the Products:
 - offering to pay applicable sales taxes for all customers;
 - offering free shipping to all customers,
 - providing free financing to all customers, and
 - offering a gift card redeemable for value on future purchase of the Products.

4. **ENFORCEMENT**

Failure to abide by this MAP Policy, including without limitation the Guidelines listed above and on Attachment A), will result in such consequences as Venmar Ventilation ULC may determine in its sole discretion. These consequences will be as follows, but may be modified at any time to include, without limitation, ineligibility to participate in advertising and sales promotions, loss of access to any discounts or rebates offered by Venmar Ventilation ULC, loss of right to marketing funds or co-op advertising funds, loss of ability to participate in Venmar Ventilation ULC programs (including, without limitation, builder/project programs and discounted display offers), loss of access to the Products and/or all or part of a Venmar Ventilation ULC product series, and termination as an authorized reseller of Venmar Ventilation ULC products.

- a. For a first violation, the reseller will receive a letter notice of the violation and will have one business day to rectify the violation.
- b. Should the violation continue, the reseller will receive a second letter notice of the violation and Venmar Ventilation ULC will suspend pending orders or shipments of the SKU in violation.
- c. Should the violation continue for an additional business day after the second letter notice of the violation, the reseller will receive a third letter notice of the violation and, Venmar Ventilation ULC one will shut down orders and shipments for the SKU for a period of thirty (30) days.
- d. For those that habitually violate Venmar Ventilation ULC's MAP policy, Venmar Ventilation ULC reserves the right to stop shipments to such reseller all together for a period of time, or indefinitely, at Venmar Ventilation ULC's discretion, or will take further action as Venmar Ventilation ULC deems necessary and reasonable.
- e. Venmar Ventilation ULC will enforce this MAP Policy in its sole discretion. Venmar Ventilation ULC will investigate and resolve any discovered or reported violation unilaterally and in its sole discretion, and will communicate its decision to the particular reseller that is the subject of the investigation. Venmar Ventilation ULC one has the right, but not the obligation, to occasionally monitor, review or audit resellers' websites and other Internet communications that concern Venmar Ventilation ULC or its products. Venmar Ventilation ULC also may use one or more outside firms or individuals to monitor compliance with this MAP Policy.

5. **POLICY ADMINISTRATION**

This MAP Policy shall be unilaterally administered by Venmar Ventilation ULC and shall be effective only for U.S. and Canadian resellers. Venmar Ventilation ULC does not seek consultation with any reseller, accept an agreement with any reseller regarding this MAP Policy. There are no third-party beneficiary rights to this MAP Policy. Any failure by Venmar Ventilation ULC to require compliance with any provision of this MAP Policy will not operate as a waiver to request strict compliance in the future and will not result in any liability to any other reseller.

VENMAR VENTILATION ULC'S SALES PERSONNEL AND REPRESENTATIVES HAVE NO AUTHORITY TO MODIFY OR GRANT EXCEPTIONS TO THIS MAP POLICY OR HAVE ANY COMMUNICATIONS WITH ANY RESELLER REGARDING VIOLATIONS OF THIS MAP POLICY. All questions or comments regarding this MAP Policy should be directed to the MAP Policy administrator at **MAPAdministrator@broan.com** with a subject line that says, "VENMAR VENTILATION ULC MAP." The MAP Policy administrator will communicate with the reseller at issue about the MAP Policy.

If any provision of this Policy is invalid or unenforceable in a jurisdiction or province, it is to be modified or severed in that jurisdiction or province to the extent of such invalidity or unenforceability, and that fact does



not affect the validity or enforceability of that provision in another jurisdiction or province or this MAP Policy's remaining provisions.

This MAP Policy is subject to revision, modification, suspension or discontinuation by Venmar Ventilation ULC in its sole discretion at any time. Venmar Ventilation ULC will provide notice of changes to this MAP Policy to resellers and copies of the current version of this MAP Policy will be available upon request by reseller.

This MAP Policy is effective as of March 1, 2020.

Attachment A

What IS an Online MAP Violation?	What is NOT an Online MAP Violation?
<ul style="list-style-type: none"> ➤ Online MAP Advertisements that advertise a Product at a price below MAP (including "free" or "half off" messaging) <ul style="list-style-type: none"> - Example: "Buy Product at \$39.99", where MAP is \$49.99. - Example: "First 100 customers on Saturday get MAP Product for free or half off!" ➤ Online MAP Advertisements that advertise a Product at MAP but with an applicable discount (\$ or % off, or rebate) <ul style="list-style-type: none"> - Example: "Buy MAP Product at \$MAP and save 10% instantly." ➤ Online MAP Advertisements that do not include the price of a Product, but that advertise a discount (\$ or % off, or rebate) that would bring the advertised price below MAP if price were shown <ul style="list-style-type: none"> - Example: If MAP and Account's regular price are both \$49.99 for a Product, no discount may be advertised for the MAP Product - Example: If Account's regular price for MAP Product is \$59.99 and MAP is \$49.99, a 20% discount may not be advertised. By contrast, a 10% discount may be advertised ➤ Online MAP Advertisements that show a discount (\$ or %, or rebate) on a class of products that include the MAP Product where the MAP Product is named or shown; (i) at a price of MAP or below or (ii) at a price of higher than MAP, if the advertised discount brings the net advertised price below MAP, or (iii) without a price if the advertised discount would bring the advertised price below MAP if the price were shown <ul style="list-style-type: none"> - Example: "Save 20% on all [category that includes covered Product]" 	<ul style="list-style-type: none"> ➤ Online MAP Advertisements that advertise a MAP Product at MAP or a price that is above MAP ➤ Online MAP Advertisements that advertise a MAP Product and do not include any price or discount messaging ➤ MAP Advertisements that advertise a MAP Product at a price that is higher than MAP, alongside a discount (\$ or %, or rebate) that brings the advertised sale price to MAP or above <ul style="list-style-type: none"> - Example: "Get a 10% off MAP Product" when Account's regular advertised price is 10% above MAP ➤ Online MAP Advertisements that advertise a MAP Product at or above MAP (or without a price) and that also offer discounts or a non-MAP Product or service <ul style="list-style-type: none"> - Example: "Buy MAP Product and get a \$50 store gift card." - Example: "Buy MAP Product at MAP and get coupon for 10% off your next visit - Example: "Buy MAP Product at MAP and get 4GB USB thumb drive for free." ➤ Online MAP Advertisement that show a discount (\$ or %, or rebate) on a class of products that include the MAP Product (i) where the MAP Product is not named or shown, or (ii) where the MAP Product is named or shown without a price the advertised discount would not bring the advertised price below MAP if the price were shown, or (iii) where the MAP Product is named or shown at a price higher than MAP, if the advertised discount does not bring the net advertised price below MAP <ul style="list-style-type: none"> - Example: "Save 20% on all Central Vacuums