



## Samsung Electronics America, Enterprise Business Division: Minimum Advertised Price Policy

Effective: 07/01/2010 the policy supersedes any and all previous communications, official or otherwise with regard to Samsung Enterprise Business Division's (formerly called Information Technology Division), Minimum Advertised Price ("MAP") policies.

This MAP Policy applies only to product and services marketed and sold by Samsung Electronics America, Enterprise Business Division ("EBD"). All contents of this document are considered confidential and may not be disclosed to other parties; furthermore the scope of this document is limited to all parties reselling products and services in the United States only. This MAP Policy is not incorporated in the Distributor or Dealer Agreements by reference. Dealers, Distributors and Resellers remain free to independently establish its own prices.

This Policy applies to all advertisements of EBD products by Resellers, Dealers and other firms ("Partners") transacting with Business-to-Business and Business-to-Consumer "end-users"; Distributors and wireless communications providers ("Carrier") are addressed separately within this policy.

Advertisements which do not comply with EBD published MAP Program Guidelines will be considered in violation and, without assuming any liability, Samsung may issue written notification of failure to follow the Policy and execute the Schedule of Consequences as set forth below. Samsung reserves the right to revise any terms at any time, including, without limitation, authorized dealer list, model list and the schedule of consequences.

### **MAP Policy Compliance Requirements:**

Applicable to all advertisements of EBD products and services by both Direct and In-direct (purchase via Distributors) Partners in any and all media, including without limitation, inserts, newspapers, magazines, catalog, mail-order catalog, public signage, other print media, television, radio, e-mail, internet websites, e-commerce, flyers, posters, coupons, brochures, text messages, any method which uses the hypertext transfer protocol (http) or any internal links to a web based shopping cart and/or other electronic media ("Advertisements"). Distributors are not restricted to MAP when communicating with their clientele through means inaccessible to the public, such as secure websites and email blasts restricted to their business/resale partners. Carriers or retail Dealers selling EBD cellular wireless devices are not restricted to MAP when



such EBD wireless device is advertised as part of a bundled package of wireless services with no intent to sell as a standalone device.

Marketing Bulletins announcing new products and price changes are routinely published and illustrate MAP pricing along with other pricing and specification data.

This policy applies to all Partners and all EBD products including but not limited to: computer desktop displays and monitors, professional large screen LCD & Plasma monitors, data projectors, projector lamps, accessories, mobile computing products, printer and copier hardware, software, toner, consumable parts, branded memory and storage devices, extended warranties and service programs.

All public facing Advertisements that include prices must meet the following requirements in order to be deemed in compliance with the MAP Policy:

1. Partners may not publish any price in violation of this MAP Policy either online or offline at 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.
2. Any other link to another retailer/retailer's listing on the Partner's website is subject to this policy. Any violation from any of them who are unauthorized by EBD counts toward the Schedule of Consequences against the dealer who listed it. Any violation from an authorized dealer is the responsibility of that authorized dealer only.
3. A "click for price", "mouse over for price", "see price in-cart", "add to-cart" 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 Guidelines is a violation of this Policy.
4. All advertised prices must be at MAP or higher. Savings amount may be omitted if desired. In the event of any rebate promotions or similar discount promotions sponsored by EBD, the price displayed in the Advertisement must be no lower than the Products MAP less the amount of the EBD sponsored discount.
5. Free shipping and/or handling or free financing promotions do not violate this Policy.
6. Bundle promotions containing Samsung items which are not sponsored by EBD shall not be Advertised less than total MAP of all Samsung items included in the bundle.
7. The MAP Policy does not in any way limit the ability of any Partner to advertise that "they have the lowest prices", they "will meet or beat any competitors price", that prices are "too



low to show", that consumers should "call or e-mail for a price", as long as the Advertisement price is not less than MAP.

8. The MAP Policy shall not apply to the final "Checkout" stage for online purchases. This area of a dealers website consists of web pages where:
  - Customer has acted in a deliberate manner to "go to Checkout" or "make purchase payment", by clicking on buttons designed for such purpose;
  - Customer 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 a dealer communicates the existence of such coupons or additional discounts may be subject to the MAP Policy.

## **SCHEDULE OF CONSEQUENCES FOR VIOLATING MAP POLICY**

### **General**

- Counting of violations applies to each instance of violation on an Advertisement vehicle. For example, if two EBD products on one circular advertisement are found to be in violation, that would constitute as one violation for the visual display category. For online advertising, each day of violation would constitute as one violation.
- If a Partner is under violation but does not satisfy the complete terms of the corresponding consequence specified in this Policy, such would count towards a new instance of violation.
- EBD shall at its sole discretion, determine the SKU among the SKU's that have been in non-compliance of this Policy, for which the consequence of violation applies. For example, first violation was on SKU "A" and second violation was on SKU "B". Samsung shall choose whether SKU "A" or "B" may not be listed in Advertisements for 4 weeks.
- Any violation at any instance in time shall incrementally add to the number of violations that had existed prior to that. For example, if four violations occurred over a period of two years and the dealer lost the ability to purchase a SKU for the life of that SKU, and a fifth violation occurred on year #3 (in less than 12 months from the date of the fourth violation), then the fifth violation would be enforced using the same consequence as the fourth violation, and so forth. The number of violations shall reset to zero if there is a period of consecutive 12 months during which no violation occurs.



- The violation schedule applies to each product category: A violation on any one SKU in each product category counts towards the number of violations in that category.
- In addition to the specific consequences outlined in the tables below, EBD may refuse to pay or provide advertising dollars for Advertisements that do not comply with its published MAP Program Guidelines, and, without assuming any liability, EBD may:
  - a. Cancel all orders and refuse to accept any new orders from any Dealer for a MAP Product immediately following verification by Samsung that the Dealer has advertised the Product at a net price less than the MAP Guideline.
  - b. Request Distributors not fulfill pending and future orders for violating product from In-Direct Partner violating MAP policy.
  - c. In the event of printing error, require an immediate, formal retraction on all offending Advertisements (such retraction must be issued no later than one week after the error).
  - d. After the fourth violation, Samsung, at its sole discretion, may buy back any remaining sellable inventory of a SKU (as determined by Samsung according to the guideline above) of the dealer; or
  - e. Terminate the Dealer Agreement.

## MAP Violation Consequences

Violation	Consequence
First Violation*	Warning: letter and 24 hour notice to comply with MAP Policy.
Second Violation	Loss of rights to advertise SKU or possibly the entire product category depending on status of life cycle for the violating sku, for up to four (4) weeks. Marketing support may also be removed for that SKU or product category including but not limited to; Co-Op, POS rebates and/or MDF support, depending upon status of life cycle for that violating SKU.
Third Violation	Loss of rights to purchase SKU for the life of that product and may not advertise SKU for 4 weeks



\*MAP Violation for Print advertising: EBD may charge back or hold all applicable advertising funds for any MAP violation within specific advertisements paid for by EBD. If the advertising fund for a specific MAP violation cannot be readily determined, Samsung will utilize the ad cost determined by a third party company, IFR Monitoring, which tracks advertising.

## **ADVERTISING GUIDELINES**

Partner's Advertisements must follow the following guidelines and are subject to approval by Samsung. Failure to follow these guidelines may result in termination of the Dealer Agreement by Samsung.

1. All Advertisement(s) must include EBD model numbers that are complete or sufficient in Samsung's sole and absolute discretion to specifically identify the advertised product(s).
2. Advertisement(s) must display appropriate brand name prominently containing the correct and authorized logo, product illustration, model number and mention at least one feature. Display advertisements deliberately depositing or illustrating Samsung Branded Products without brand names fail to meet merchandising principals that emphasize the value and quality of Samsung Branded Products. Please refer to the Logo & Trademark Usage section of the Samsung Dealer Agreement.
3. When Samsung's trademarks, logos and trade names are used, they must be used properly as indicated in the Samsung Logo & Trademark Usage guidelines available upon request.
4. All Advertisements must contain the correct product illustration and exterior colour of the product corresponding to the model number.
5. Advertisements must not be deceptive and should comply with state and/or federal laws, e.g. models shown and/or features advertised must be related to the price indicated in the advertisement.

EBD has adopted this Policy unilaterally in furtherance of its independent business strategy and reserves, at its sole discretion, the right to change this Policy and to interpret, enforce and otherwise handle all questions and issues related to the Policy. Interpretation and application of this Policy shall be made exclusively by Samsung in its sole discretion. Except as expressly authorized by Samsung in writing, no Dealer or Distributor of Samsung, or their employees, have the authority to discuss, change or enforce this Policy.