



TO: Our Valued Partners  
FROM: Pipedream Products  
RE: MAP and RRP Pricing Roll Out  
DATE: January 9, 2019

Pipedream will be rolling out our Minimum Advertised Price (MAP) and Recommended Retail Price (RRP) programs beginning in 2019. As such, we wanted to explain how MAP and RRP work and the reasons behind the importance of adherence to these pricing programs as a protection for both **Pipedream** and you—our **Partners**.

MAP (applicable in all territories except the EU) and RRP (applicable in the EU only) are pricing policies intended to establish a standard “lowest” published price by which our customers & distributors should advertise Pipedream products.

There are many reasons why MAP and RRP programs are important and why we are asking our customers & distributors to adhere to the pricing policies outlined in the attached documents. MAP & RRP programs are a win-win for us all--for the following reasons:

- They safeguard our brand names so that consumers know to expect quality when buying Pipedream products.
- Consumers can rely on one price and don't feel like they must *both* showroom-shop *and* price-compare online in order to get the best price for Pipedream products. This is particularly a waste for our brick & mortar partners who spend valuable time servicing customers in-store—only to have these customers buy the product online because they found a lower price.
- These programs keep prices coordinated so that one customer is not at a pricing disadvantage vs another customer who chooses to deep-discount products.
- They enable us (both Pipedream and our Partners) to protect our margins.
- They create equal earning opportunities between our customers where the emphasis is on value & service rather than price.

We hope you see the benefits of both MAP and RRP pricing policies and will adhere to the guidelines outlined in the attached program documents. MAP for all territories except the EU and RRP for the EU only.

Thanks, and we look forward to a profitable New Year!

Pipedream



**UNILATERAL MINIMUM ADVERTISED PRICE (MAP) POLICY**  
**Confidential – Pipedream Products (2019)**

Pipedream Products (Pipedream) has built a strong reputation and following among consumers and has established a quality distribution network that actively promotes, educates and advertises its products to consumers. Therefore, with the goal to preserve its strong brand image, Pipedream has established a Minimum Advertised Price policy (“MAP”) for all Pipedream products. The policy applies to all non-EU territory distributors, wholesalers, and retailers whether eCommerce channels and online distributors or otherwise. We value our network for its excellent customer service, support, and hands-on expertise delivered along with our products to resellers and end-users. We also actively support promotion and advertising activities of all our products through the marketing channels considered most cost-effective by our business partners and resellers worldwide.

Pipedream supports the use of the Internet and online marketing as promotional tools for its resellers. In order to alleviate brand degradation and reinforce the advantages of our products in the areas of quality, warranty, and service delivered by our Business Partners, we have unilaterally established this MAP to apply to all - Business Partners, including your company. This MAP applies to all products sold to you unless otherwise specifically excluded by an Authorized Official of Pipedream in writing.

#### The Pipedream MAP Policy

Pipedream has unilaterally established the following MAP Policy that reflects its business philosophy. This MAP Policy applies to your company, our Business Partner, and your direct or indirect reseller networks, distributors, and retailers. Therefore, if you distribute Pipedream products to other resellers, you must provide a copy of this MAP Policy to your customers.

- A.** The maximum allowable MAP advertised price will be no more than 10% below the Pipedream Manufacturer's Suggested Retail Price (MSRP) of each product. This policy does not establish a minimum or maximum sale price for any Pipedream product and applies to published Pipedream product prices only. Furthermore, for all Pipedream products advertised and sold through the Internet or other electronic or communication networks, the MAP Policy prohibits discounts off Pipedream MSRP in excess of 10% below the Pipedream MSRP for each product.
- B.** If a company wishes to market Pipedream Products more than 10% below the Pipedream MSRP, it must have written consent from Pipedream in advance of such offering. Information required includes:
  - a. The company's name and contact information; AND
  - b. List of products and corresponding price offering.



- C. Providing discounts off Pipedream MSRP – larger than the aforementioned thresholds, via the Internet or online or in some other automated fashion without any Pipedream authorization, shall be considered a material breach of this MAP Policy.
- D. The minimum advertised price (MAP) is established by Pipedream for its products and may be adjusted by Pipedream without prior notice at any time. Pipedream reserves the right to suspend the MAP program for its full product range or by specific product line by notifying all distributors and resellers of such change in advance.
- E. Advertising Media: This Policy shall apply to all forms of advertising media including, without limitation:
  - i. Print ads (catalogs, inserts, newspapers, flyers, etc.);
  - ii. Direct mailers (regular mail, email and faxes);
  - iii. Internet (webpages, banner ads, 3<sup>rd</sup> party sites, mobile applications, etc.), including “in-cart” and “final checkout” pricing;
  - iv. Social media (Facebook, twitter, etc.).

The above list is intended to provide examples and shall in no way limit the forms of advertising media to the above. This MAP policy applies to any and all forms of advertising.

- F. From time to time, Pipedream will engage in specific promotions of certain products. In so doing, the MAP Policy continues to apply to promotional prices. In no way does the implementation of a promotional price or discounted price period by Pipedream negate the Pipedream MAP policy. MAP Policy compliance must also continue even when a Pipedream product is advertised in combination with products NOT made by Pipedream.
- G. Violations of this MAP Policy will be assessed at Pipedream's sole and unilateral discretion. Interpretation and enforcement of this Policy shall be made exclusively by Pipedream in its sole discretion. First violations of this MAP policy will result in a written warning and a request that the products be removed from third party seller's site and/or a correction of the pricing in advertising, with a time to cure of 7 business days. Upon a second violation (or a failure to correct the first violation) Pipedream may issue a written notice suspending sales for 90 days. A third violation (or further failure to correct a violation) will result in a written notice of permanent termination of Authorized Reseller status and a suspension from purchasing any products from Pipedream. Pipedream is not required to provide prior notice or warnings before taking actions under this Policy. Violations may result in either the unilateral termination of the distributor/reseller agreement with Pipedream or the loss of eligibility for Pipedream promotional programs. Pipedream will not persist in any business relationship with distributors/resellers that do not follow Pipedream distribution philosophy and business strategy.



This MAP pricing applies to all territories with the exception of the EU.

We will be sending this via DocuSign to confirm your receipt of this MAP Policy.

COMPANY NAME:

If you are a Pipedream reseller, please specify from which distributor you are currently buying:

SIGNATURE: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

COMPANY NAME: PIPEDREAM PRODUCTS