

Functional Devices, Inc. MAP Policy

(Effective November 1, 2022)

To protect its brand position and reputation for superior technology, quality products and strong sales support; to encourage its distributors in the United States and Canada (collectively, “**Distributors**”) to invest time and resources in developing and maintaining an extraordinary customer experience; and to maintain a fair marketplace for all of its Distributors, Functional Devices Inc. (“**Functional Devices**”) has unilaterally adopted this minimum advertised price (“**MAP**”) policy.

Products subject to this MAP policy. Unless specifically exempted in the Exceptions section of this MAP policy, all products offered by Functional Devices are subject to this MAP policy (the “**MAP Products**”) minimum advertised price for each MAP Product is fifty percent (50%) of Functional Devices’ list price for such product (the “**Applicable MAP**”). Functional Devices may unilaterally add to or detract from the MAP Products or change the Applicable MAP for any MAP Product by revising this MAP policy from time to time. Distributors are responsible for regularly checking www.functionaldevices.com/map-policy for the latest version this MAP policy.

In addition, Functional Devices may from time to time choose to offer special promotions on certain MAP Products; in such event, Functional Devices may modify or suspend this MAP policy with respect to such MAP Products by revising this MAP policy posted at the website listed above.

Products Excepted from this MAP policy. NONE.

Advertising media to which this MAP policy applies. Except as set forth below, this MAP Policy applies to all advertisements of MAP Products placed for on behalf of a Distributor in any and all media, including, without limitation:

- (i) Catalogs, posters, billboards and other public signage, flyers, coupons, newsletters, print ads (inserts, magazines, catalogs, newspapers, etc.), and direct mailers, including email and faxes.
- (ii) Broadcasts on radio, television, cable, satellite, networks, and the like.
- (iii) Internet and any other electronic or social media marketing, including websites that can be accessed directly through hypertext link or by any other method which uses hypertext transfer protocol (http) or similar technologies, search engine advertising, broadcast email newsletters, email solicitations, automated response pricing emails, SMS or other phone/electronic text messages, search engine optimization, banners,

pop-ups or pop-up under ads, price comparison sites, auction functions or websites, shopping websites, shopping feed and portal sites, online display advertising or similar electronic media.

Distributors shall remain responsible for violations of this MAP policy by any party to which a Distributor sells MAP Products with knowledge that they are being resold.

By way of example, the following is a non-exclusive list of advertising methods that violate this MAP policy:

- (i) Advertising a price for a MAP Product that is below the Applicable MAP.
- (ii) Advertising that a price is “too low to publish”.
- (iii) Any strike-through or other alteration of a displayed price that otherwise is at or above the Applicable MAP.

This MAP policy *does not apply* to the following:

- (i) Advertising that states, “Call for Price,” or “Email for Price” but only where the advertisement does not reveal any prices.
- (ii) Advertising that promises to match or beat prices from competitors.
- (iii) In-store displays, in-store banners, in-store price markings, and other point-of-purchase advertising, so long as such advertising is not displayed through digital media cross-promotions, including without limitation Facebook, Instagram, Pinterest or similar sites.
- (iv) Individual customer quotes and contracts.
- (v) E-Commerce websites that require account login credentials to view pricing or to pricing that is displayed on the Internet when a MAP Product is added to a “cart” as long as the shopping cart technology does not allow a price below the Applicable MAP to be displayed as a search engine result or otherwise revealed to the general public.

THIS MAP POLICY ONLY APPLIES TO ADVERTISED PRICES AND DOES NOT APPLY TO THE PRICE AT WHICH MAP PRODUCTS ARE ACTUALLY SOLD OR OFFERED FOR SALE TO A CUSTOMER. THIS MAP POLICY IS NOT INTENDED TO CONTROL, INFLUENCE, DETERMINE, LIMIT, OR AFFECT IN ANY WAY THE ACTUAL PRICES AT WHICH DISTRIBUTORS ULTIMATELY SELL THE MAP PRODUCTS TO ITS CUSTOMERS. DISTRIBUTORS ARE FREE TO SET THEIR OWN PRICES FOR MAP PRODUCTS. This MAP Policy does not restrict a Distributor from advertising that it “has the lowest price” or “will beat or match any competitor” nor does it restrict a Distributor from providing an individual customer in a personal communication a response to a specific request for a price quote.

Non-compliance with MAP policy. Functional Devices is not seeking and will not accept agreement from any Distributor to adhere to this MAP policy, and it is entirely within the discretion of the Distributor whether to comply or not to comply with this MAP policy. Functional Devices will monitor and enforce this MAP policy unilaterally. Functional Devices will not accept or discuss reports or complaints alleging violations of this MAP policy or respond to requests to enforce this MAP policy from any other party.

This MAP policy is non-negotiable and will not be modified for any Distributor. In the event that a Distributor chooses not to follow this MAP policy, the following sanctions will be unilaterally imposed by Functional Devices:

- (i) First Incident of Non-Compliance: Written warning of MAP policy non-compliance (the “**Initial Warning**”).
- (ii) Second Incident of Non-Compliance or continued non-compliance after 10-days from the Initial Warning: Price increase of 5% for the MAP Product SKUs not in compliance with the Applicable MAP for a period of six months following non-compliance.
- (iii) Third Incident of Non-Compliance or continued non-compliance after 30 days from the Initial Warning: Price increase in cost of 5% across Functional Devices’ entire product offering for a period of an additional six months following non-compliance.

Administration of this MAP policy; questions and communications regarding this MAP policy. No employee, including any regional sales manager or sales representative has any authority to discuss, enforce or modify this MAP policy, and any statement or action by any person claiming to modify this policy or seeking to obtain or solicit the agreement of any person to this MAP policy is unauthorized and invalid.

All questions regarding this MAP policy should be in writing and submitted to the MAP Policy Administrator at MAP-Compliance@functionaldevices.com, who will respond only in writing. No oral communications about this MAP policy are authorized. Functional Devices Inc. will endeavor to provide a response to questions raised within (3) business days from receipt of the question. In the absence of a response from Functional Devices, the advertisement is at the Distributor’s risk.