



# resideo

## MINIMUM ADVERTISED PRICE (MAP) POLICY UPDATE

January 1, 2019

Resideo has established a unilateral policy regarding the minimum advertised price (MAP) of specified products promoted by Distributors through the Trade channel. Resideo may, in its discretion, change its MAP policy from time to time by adding products, changing MAP pricing, permitting blackout dates and special events, and revising terms, among other things.

### POLICY OVERVIEW

Resideo is adopting this MAP Policy to ensure effective promotion of its products. Meaning, Distributors may not advertise products which are subject to the MAP policy at a price lower than the MAP as determined by Resideo.

### RESALE PRICE

This policy does not mean that Resideo is setting the Distributor/wholesaler actual resale price. Resideo's Distributor partner sets resale prices at which they sell Resideo products at their sole discretion. Distributors are free to set the actual resale price for all products they purchase from Resideo. The MAP policy does not change this fundamental policy that Distributors/wholesalers set their own resale prices. The MAP policy only relates to a mass promoted advertised price.

### RESPONSIBILITY

Each Distributor organization is solely responsible for its own compliance with this MAP policy.

### PRODUCTS SUBJECT TO MAP POLICY

Please reference the "Attachment A" for products subject to MAP policy as well as **the minimum price** set for promotion of these products. The MAP policy does not mean that products have to be advertised at that price, but if the Distributor advertises them, they should be advertised above or no lower than that price. Additional products may be added to or removed from the MAP policy by Resideo.

The Resideo Channel Marketing Leader for the line of business is the only person authorized by Resideo to communicate MAP policy updates, changes or decisions. No other Resideo representative is authorized to confirm compliance with this policy, discuss it, or amend it.

### ADVERTISING MEDIA TO WHICH MAP APPLIES

The MAP policy applies to mass advertising including, but not limited to:

- Catalogs, flyers, newsletters, print ads (inserts, magazines, catalogs, newspapers, etc.), and direct mailers, including email and faxes. By way of example, the following advertising is compliant with the MAP policy:
  - Advertising of the Resideo product without any reference to price
  - Advertising that states "Call for Price" or "Price too low to print"
  - Advertising that promises to match or beat prices from competitors
- Internet (banner ads, broadcast emails, destination pages)
  - Advertising on the Internet is subject to the MAP Policy. Any Internet advertising directly by the Distributor, other than the Distributors 'shopping cart' must adhere to the MAP policy.
  - Distributors should not transact directly with homeowners (reference Internet Selling Policy).

- The MAP policy *does not apply* to the following:
  - In-store displays, in-store banners, in-store price markings
  - Individual customer quotes, contracts
  - Internet site "checkout" pages where the customer makes final purchase.
  - Resideo sponsored mail-in rebates & Contractor PRO rewards. A Resideo sponsored mail-in rebate or Contractor PRO reward is defined as a rebate paid directly by Resideo to an end user regardless of where the product is purchased. Ads may advertise any Resideo sponsored promotion, and may show the after- promotion price for Resideo-sponsored promotions.

### **NON-COMPLIANCE WITH MAP POLICY**

Non-compliance with the Resideo MAP policy as determined by the Resideo Channel Marketing Leader for each line of business may result in the following actions:

- First Incident of Non-Compliance: Written notification of MAP policy non-compliance.
- Second Incident of Non-Compliance: Elimination of promotional allowances for the next 6 months with respect to the product SKUs involved in non-compliance with MAP.
- Third Incident of Non-Compliance: Elimination of all promotional allowances and default to next highest pricing multiplier for SKU's involved in non-compliance for the remainder of the Resideo fiscal year.

Resideo independently investigates each potential incident of MAP Policy non-compliance. Resideo will provide written notice of failure to comply with the MAP policy as documentation. Resideo will not respond directly to questions, comments, or allegations from one Distributor regarding the activities of another Distributor.

### **QUESTIONS & COMMUNICATIONS REGARDING MAP POLICY**

Questions regarding the policy should be in writing and submitted to the Channel Marketing Leader for the Line of Business. Resideo will endeavor to provide a response to questions raised within three (3) business days from receipt of the question. In the absence of a response from Resideo, the ad placement is at the Distributor's own risk.

Send

Inquires to:

Resideo

MAP Policy

C/O Residential Trade Channel

Marketing Leader

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