

Kenda Minimum Advertised Pricing Policy (MAP)

Effective Date: March 1st, 2017

Introduction

American Kenda Rubber (Kenda) has established a Minimum Advertised Pricing Policy that applies to the full suite of products. This Policy is a unilateral statement of American Kenda Rubber and a condition precedent for any dealer that desires to advertise and sell Kenda products. Accordingly, the MAP Policy is not a contract, nor an offer to form a contract. The Policy, rather, is an expression of Kenda's policies under which its covered products may be advertised and marketed. American Kenda Rubber will not discuss any conditions of acceptance related to this MAP Policy, as it is non-negotiable and will not be altered for any dealer.

This MAP Policy applies to advertised prices for Kenda products and is not intended to determine, control or even influence in any way the price at which any authorized Kenda dealer sells any of the covered products. The individual dealers are free to set their own prices on Kenda products.

Policy Coverage

This MAP Policy covers all Kenda products which are sold throughout the United States and is binding upon all Kenda dealers who distribute and sell such products. Kenda American Rubber reserves the right to exclude specific products from its MAP Policy for all dealers at its sole and unilateral discretion; details of such exclusions are available upon request at swhitley@kendausa.com

Pricing

Aside from the situations described below, a dealer may not advertise any of the covered products below the minimum advertised price established by Kenda. Pricing and updates are available by contacting Kenda directly at swhitley@kendausa.com with questions. Kenda cannot be held responsible for the dealer's lack of knowledge of said pricing.

Dealers may advertise prices below MAP with the approval of American Kenda Rubber, contingent on the following points:

- The time period of any sale must be clearly stated in the ad and endure no longer than 3 weeks.
- Dealers must not advertise discounted prices for products more than four times per calendar year.
- Dealers must notify Kenda prior to advertising below MAP and must provide the duration of the offer, the products to which the discounts apply, and the discounted price for each product. Kenda will monitor and ensure compliance with this Policy.

To receive a copy of the Kenda MAP Policy and a current price sheet dealers can email Sam Whitley at swhitley@kendausa.com.

Policy Terms

- This MAP Policy governs the advertising practices of Kenda dealers. Each dealer is individually responsible for ensuring its advertising policies comply with this MAP Policy.
- Kenda is responsible for enforcing this MAP Policy, and will do so unilaterally. Kenda's designated MAP Policy manager is the only person authorized by the company to communicate about the MAP Policy, including communications regarding updates, changes or decisions. Kenda cannot and will not accept any information from any retailer about prices being charged by another retailer or about possible violations of this policy.
- Each dealer is free, without violating this Policy, to establish its own resale prices for Kenda products, and may, without violating this Policy, sell any Kenda products at a price higher or lower than the MAP for that product.
- The MAP Policy applies to all forms of advertising of Kenda products and across all mediums, including without limitation, television, cable, radio, direct mail, outdoor advertising, mailings, catalogs, magazines, circulars, retail and/or consumer exhibition displays, and electronic/online media (which includes emails, text messaging, and social media.)
- The term "advertising" is intended to be defined as broadly as possible. To that end, "advertising" includes any and all advertisements, announcements, information, publications or notices given, generated, developed, produced, distributed or disseminated by or on behalf of any dealer in connection with such dealer's commercial operations and sale of the covered products.
- "Bundling" or including a free or discounted product (whether made by Kenda or another manufacturer) is a violation of this Policy.
- Kenda reserves the right to unilaterally terminate the purchasing rights of any dealer that violates its MAP Policy, with or without notification.
- American Kenda Rubber cannot be held responsible for ignorance of this MAP Policy or Kenda's product pricing.

Internet/Online Advertising

Advertising on the Internet is subject to the MAP Policy. The MAP Policy applies to all web pages and other forms of Internet advertising (e.g., banner ads) that describe and otherwise promote the covered products, but not to the actual point-of-purchase web pages.

MAP Violations

Kenda reserves the right to unilaterally suspend or terminate the purchasing rights of any dealer that violates its MAP Policy, with or without prior notification.

Kenda, in its discretion, may use the following guidelines in determining sanctions for non-compliance with the MAP Policy:

- 1st Map Policy violation: The dealer will be sent a communication detailing the violation in question and re-stating the terms of the MAP Policy. Failure to comply within 5 business days will be considered a 2nd violation.

- 2nd MAP Policy violation: The purchasing rights of the dealer will be terminated for a term of 3 months from the time of termination determined by Kenda. Failure to comply to the MAP Policy within 5 business days will be considered a 3rd violation.
- 3rd and any subsequent MAP Policy violation: The purchasing rights of the dealer will be terminated for a term of at least 1 year (12 months) from the time of termination determined by Kenda and reinstatement of said account will be by application and the discretion of Kenda.

Kenda will unilaterally make all decisions relating to violations of the MAP Policy and will not entertain appeals or negotiations to the sanctions imposed.