

**MINIMUM ADVERTISED PRICE (MAP) POLICY  
HARMAN PROFESSIONAL**

**EFFECTIVE: September 1, 2014  
(Supersedes All Previous Versions)**

**VALID FOR:**  
ALL HARMAN PROFESSIONAL (INCLUDING MARTIN LIGHTING AND AMX)  
DIRECT DEALERS

**INCLUDES:**  
MAP POLICY  
ADVERTISING GUIDELINES  
QUESTIONS AND ANSWERS

## MAP POLICY

### Introduction

Harman Professional hereby unilaterally announces its Minimum Advertised Price Policy ("MAP Policy"). Harman Professional has unilaterally determined that in order for its products to compete with other brands in the marketplace on the basis of total value, including quality, features, after-sale support, and price, it must ensure that its products are properly positioned in advertising of all types, including, without limitation, print, radio, and TV, online and Internet communications (e.g., e-mail, websites, and auctions), catalogs, direct-mail advertising, coupons, outdoor advertising, phone solicitations by dealers, advertising stuffers in monthly statements, and other media (collectively, "advertisements"). Thus, Harman Professional has unilaterally established a MAP Policy for its products.

No agreement to this MAP Policy from any Dealer is sought or accepted by Harman Professional. Without limiting the application of this MAP Policy, each Dealer shall determine independently whether it wishes to operate consistently with this MAP Policy. Harman Professional shall, however, apply this MAP Policy on a unilateral basis and in its sole and absolute discretion, upon any advertisement that is inconsistent with this MAP Policy.

### Application

This MAP Policy shall apply to all dealers that are Harman Professional (including Martin Lighting and AMX) direct accounts ("Dealers"). The specific products subject to the MAP Policy ("MAP Products") and the corresponding minimum advertised price ("MAP") will be identified in the applicable confidential dealer price lists ("Price Lists") and periodic policy bulletins.

The MAP Policy does not apply to advertisements of:

- "Discontinued" MAP Products. A MAP Product shall be considered discontinued under the MAP Policy only if such product does not appear on the current Price List or is specifically listed as discontinued in a written Harman Professional policy bulletin or announcement.
- "B Stock" and "Demo" Units of MAP Products, but only if (i) Dealer receives prior written confirmation from Harman Professional that each unit qualifies as "B Stock" or "Demo," and (ii) the advertisement clearly and conspicuously states that each unit is "B Stock" or "Demo," as appropriate.
- "Used" Units of MAP Products, but only if (i) each unit was previously owned (or rented) and used by an end-user customer, and (ii) the advertisement clearly and conspicuously states that the product is "Used."

Additional descriptions utilized in association with the advertisement of "Used" products should not be utilized as this may confuse consumers. This includes without limitation examples such as "like new," "new-other," "new warranty," "resealed," "B Stock," "Demo," "Reconditioned," etc.

MAP Products may not appear in advertisements for site-wide, category, percentage or specific dollar amount discounts without the express written consent of Harman Professional.

Harman Professional reserves the right to make changes to or discontinue the MAP Policy, as it sees fit, at any time, and no Dealer has the right to rely on the continuation of the MAP Policy or any effort by Harman Professional to address violations.

### **Operation**

Harman Professional reserves the right to unilaterally suspend or revoke a Dealer's designation as an Authorized Harman Professional Dealer with respect to some or all Harman Professional products (as further set forth below), with or without cause and in its sole and absolute discretion, if such Dealer advertises MAP Products at less than the current MAP (except as specifically permitted by Harman Professional in applicable promotions or policy bulletins).

*Please review the Advertising Guidelines further below for examples of advertisements that are and are not consistent with the MAP Policy.*

Advertising MAP Products with stated prices below MAP (netted-down prices included, whether or not the advertisement explicitly states the netted-down price) will result in the following unilateral actions by Harman Professional:

- The first violation involving any MAP Product within any 12-month period will result in a thirty (30) day suspension of Dealer's ability to purchase the particular SKU involved in such violation (including suspension of all unfilled existing and new orders and shipments).
- Any two (2) violations involving the same or different MAP Product(s) within the same Harman Professional brand (e.g., JBL Professional, Crown, AKG, Martin Lighting, AMX, etc.) in any 12-month period will result in a thirty (30) day suspension of Dealer's status as an Authorized Harman Professional Dealer for all Harman Professional products under the material group or product category involved (including suspension of all unfilled existing and new orders and shipments).
- Any three (3) violations within the same Harman Professional brand (of the same or different MAP Product(s)) in any 12-month period will result in a thirty (30) day suspension of Dealer's status as an Authorized Harman Professional Dealer for the particular Harman Professional brand(s) involved in such violations and products under such brand(s) (including suspension of all unfilled existing and new orders and shipments).
- Any four (4) violations within the same Harman Professional brand (of the same or different MAP Product(s)) in any 12-month period will result in a ninety (90) day suspension of Dealer's status as an Authorized Harman Professional Dealer for the particular Harman Professional brand(s) involved in such violations and products under such brand(s) (including suspension of all unfilled existing and new orders and shipments).
- Any five (5) violations within the same Harman Professional brand (of the same or different MAP Product(s)) in any 12-month period will result in the indefinite revocation of Dealer's status as an Authorized Harman Professional Dealer for the particular Harman Professional brand(s) involved in such violations and products under such brand(s) (including revocation of all unfilled existing and new orders and shipments).

### **Violation Notifications**

Following Harman Professional's unilateral determination that a violation has occurred, Harman Professional or its authorized agent will issue a notification of the violation to the Dealer, (the "Notice"). The start date of any applicable suspension period shall be the date of the Notice.

**Third Party Service Provider**

Harman Professional may, in its sole discretion and upon notice to Dealer, elect to utilize, either directly or indirectly, any third party service providers for purposes of monitoring, reporting and any other activity with respect to this MAP Policy.

**Miscellaneous**

This MAP Policy pertains only to advertised prices of MAP Products and does not relate to the actual sales price of such MAP Products.

From time to time, Harman Professional may permit Dealers to advertise MAP Products at prices lower than the MAP price. In such events, Harman Professional reserves the right to modify or suspend the MAP price with respect to the affected MAP Product(s) for a specified period of time by providing advance notice to all Dealers of such changes.

Harman Professional does not seek, nor will it accept, any written or oral, formal or informal, agreement with any of its Dealers regarding the prices that a Dealer may advertise or charge at any time for Harman Professional products.

Harman Professional sales, marketing, and customer service personnel have no authority to discuss, modify or grant any exceptions to this MAP Policy. They are not permitted to discuss with Dealers the enforcement of this MAP Policy.

Harman Professional neither solicits nor accepts any written or oral, formal or informal, agreement or assurance of compliance with this MAP Policy. Harman Professional will not discuss any conditions of acceptance of this MAP Policy, as it is non-negotiable and will not be altered for any Dealer. Nothing in this MAP Policy shall constitute an agreement between Harman Professional and any Dealer that the Dealer will comply with this MAP Policy.

Violations of this MAP Policy will be enforced in Harman Professional's sole discretion.

Please review the "Advertising Guidelines" and "Questions and Answers" for more details and information regarding this MAP Policy.

**ADVERTISING GUIDELINES**

The following are examples of advertisements that are and are not consistent with Harman Professional’s MAP Policy. These examples are not exhaustive, and Harman Professional reserves the right to make its own unilateral determinations as to whether a particular practice is consistent with this MAP Policy, to change these examples, and to modify or amend the MAP Policy with respect to specific MAP Products and MAPs.

All references to prices in these guidelines are to advertised prices only, not selling prices.

ADVERTISEMENT CONSISTENT WITH MAP POLICY	ADVERTISEMENT NOT CONSISTENT WITH MAP POLICY
<p>An advertisement stating a price at or higher than the MAP for that specific MAP Product.</p>	<p>An advertisement stating a price lower than the MAP price for that specific MAP Product, regardless of whether it is a one-time, “X hours only,” Grand Opening, or other temporary sale.</p>
<p>“Price too low to print.”</p> <p>“Call for price.”</p> <p>Advertising that generally promises to match or beat the advertised prices of the competition.</p> <p>Pricing that is communicated by individually addressed e-mail or phone call to a specific user/customer that has requested a price quote.</p>	<p>MAP shown with a line through it, strikethrough, cancel sign, or other indication, sign, or symbol indicating a price below the MAP.</p> <p>For Internet/WWW e-commerce web sites, showing a price below the MAP on any web page, popup, or window prior to the final “checkout” page that requires payment information. This includes, without limitation, “Click for Price,” “Show Price,” “Add to Cart for Price,” “Place in Cart for Price,” “Checkout Now,” or similar links or buttons that show a price below the MAP upon clicking, rolling-over, or other activation, whether or not such activation navigates the user to a cart or any other page or window, unless it is the actual final checkout page that requires payment information.</p>
<p>Advertisements (applicable to MAP Products) that offer discounts or rebates for specific products, including:</p> <ul style="list-style-type: none"> <li>• X% off a particular item</li> <li>• Instant rebates or discounts for a particular item</li> </ul> <p><b><i>if:</i></b> the advertisement (for purposes of this MAP Policy, a series of linked online web pages are considered part of the same advertisement) for a particular product does <u>not</u> indicate in any manner anywhere in the advertisement (except only, in the case of online or internet advertisements, in the final checkout page that requires payment information) any of the following:</p> <ol style="list-style-type: none"> <li>(1) a netted-down price below the MAP, or</li> <li>(2) a regular price that would result, in combination with any discount or rebate disclosed anywhere in the advertisement, in a netted-down price below the MAP after application of the offer, whether or not the advertisement actually states the netted-down price.</li> </ol>	<p>Site-wide or category-wide discounts.</p> <p><b>Or</b></p> <p>Advertisements (applicable to MAP Products) that offer discounts or rebates for specific products, including:</p> <ul style="list-style-type: none"> <li>• X% off a particular item</li> <li>• Instant rebates or discounts for a particular item</li> </ul> <p><b><i>if:</i></b> the advertisement (for purposes of this MAP Policy, a series of linked online web pages are considered part of the same advertisement) for a particular product indicates in any manner anywhere other than the final checkout page that requires payment information:</p> <ol style="list-style-type: none"> <li>(1) a netted-down price below the MAP,</li> <li>(2) a regular price that would result in a netted-down price below the MAP after application of the offer, whether or not the advertisement actually states the netted-down price, or</li> </ol>

<p><b>ADVERTISEMENTS CONSISTENT WITH MAP POLICY</b></p>
<p>Examples:</p> <ul style="list-style-type: none"> <li>• In the case of print advertising, “Purchase a [MAP Product] and get a 5% discount. Contact store for details”, where such advertising does not indicate the pre-discount price for the product.</li> <li>• In the case of print advertising, “Purchase a [MAP Product] for \$[at or above MAP] and receive a special discount. Contact store for details”, where such advertising does not indicate the amount or rate of the discount or rebate for the product.</li> <li>• In the case of online advertising, “Purchase a [MAP Product] for \$[at or above MAP] and get a promotional discount given at checkout”, where the amount or rate of the discount is not disclosed anywhere except in the final checkout page.</li> <li>• In the case of online advertising, “Purchase a [MAP Product] and get 5% off. Final price shown at checkout”, where neither the regular price nor the netted-down price is disclosed anywhere except in the final checkout page.</li> </ul>
<p>Advertising conducted by providing data feeds to online search engines for the purpose of generating “search hits” from online product searches, which advertising displays final netted-down prices above MAP.</p>
<p>Advertisements for free shipping, free installation, low interest financing, or other services along with the purchase of a Harman Professional MAP Product, provided that the advertisement does not show/subtract the value of the service along with/from the regular price to indicate a netted down price below the MAP, whether or not the advertisement actually states the final netted-down price.</p>
<p>For Mail-In Rebates Paid Directly by Harman Professional:</p> <ul style="list-style-type: none"> <li>• The advertised, netted-down, after-rebate price is equal to or greater than the MAP less the rebate, whether or not the advertisement actually states the final netted-down price or just shows the regular price and the rebate amount, <b><i>and</i></b></li> <li>• The words “mail-in rebate” are prominently placed in the advertisement, and the amount of the rebate and Harman Professional’s funding or direct payment of the rebate are clearly indicated.</li> </ul> <p>Example: “Crown Amplifier: \$299.95 after manufacturer’s mail-in rebate of \$50,” where the product MAP is \$349.95.</p>

<p><b>ADVERTISEMENTS NOT CONSISTENT WITH MAP POLICY</b></p>
<p>(3) any other information provided anywhere in the advertisement that will allow anyone viewing the advertisement to otherwise calculate a netted-down price, where such price would be below the MAP.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• In the case of print or online advertising, “Purchase a [MAP Product] for \$X and get a 5% discount”, where the final netted-down price is below the MAP.</li> <li>• In the case of online advertising, “Purchase a [MAP Product] and get a 5% discount”, where the regular price is disclosed anywhere else in the advertisement other than in the final checkout page, and the final netted-down price is below the MAP.</li> <li>• In the case of online advertising, “Purchase a [MAP Product] for \$X and get a promotional discount”, where the discount or rebate amount or rate is disclosed anywhere else in the advertisement other than in the final checkout page, and the final netted-down price is below the MAP.</li> </ul>
<p>Advertising conducted by providing data feeds to online search engines for the purpose of generating “search hits” from online product searches, which advertising displays final netted-down prices below MAP.</p>
<p>Advertisements for free products, gifts, or other items with the purchase of a Harman Professional MAP Product.</p> <p>Advertisements for free Harman Professional MAP Product with the purchase of another Harman Professional product or any other product.</p>
<p>For Mail-In Rebates Paid Directly by Harman Professional:</p> <ul style="list-style-type: none"> <li>• The advertised, netted-down, after-rebate price is less than the MAP less the rebate, whether or not the advertisement actually states the final netted-down price or just shows the regular price and the rebate amount, <b><i>or</i></b></li> <li>• The words “mail-in rebate” are not prominently placed in the advertisement, or the amount of the rebate and Harman Professional’s funding or direct payment of the rebate are not clearly indicated.</li> </ul> <p>Example: “Crown Amplifier: \$249.95 after manufacturer’s mail-in rebate of \$50,” where the product MAP is \$349.95.</p>

## MINIMUM ADVERTISED PRICE POLICY

## HARMAN PROFESSIONAL ACCOUNTS

### ADVERTISEMENTS CONSISTENT WITH MAP POLICY

Two or more Harman Professional MAP Products advertised for one price, if the total price is greater than or equal to the sum of the individual MAP prices.

Example: Products A and B have MAPs of \$399.95 and \$299.95, respectively. If they are advertised for one price, and the advertised price is greater than or equal to \$699.90, then the advertisement is consistent with the MAP Policy.

An advertisement bundling a Harman Professional MAP Product with a non-MAP Product (whether Harman Professional or third party), with the total package price of the bundle at least 110% of the MAP price of the Harman product or greater.

Example: JBL Loudspeaker with a MAP price of \$500.00 with speaker stand and cable for a package price of \$550.00 or greater.

Two or more Harman Professional MAP Products (but excluding bundles comprised solely of pairs of identical loudspeaker products) advertised for one price, if the total package or bundle price is greater than or equal to an amount that is 95% of the sum of all the individual MAP prices.

Example: Products A and B have MAPs of \$299 and \$499, respectively. If they are advertised for one price, and the advertised price is greater than or equal to \$758.10, then the advertisement is consistent with the MAP Policy.

Example: Product A (which is a loudspeaker) has MAP of \$299. If it is advertised for one price as a pair, and the advertised price is equal to or greater than \$598, then the advertisement is consistent with the MAP Policy.

### ADVERTISEMENTS NOT CONSISTENT WITH MAP POLICY

Two or more Harman Professional MAP Products advertised for one price, if the total price is less than the sum of the individual MAP prices.

Example: Products A and B have MAPs of \$399.95 and \$299.95, respectively. If they are advertised for one price, and the advertised price is less than \$699.90, then the advertisement is not consistent with the MAP Policy.

An advertisement bundling a Harman Professional MAP Product with a non-MAP Product (whether Harman Professional or third party), with the total price of the bundle less than 110% of the MAP price of the Harman product.

Example: JBL Loudspeaker with a MAP price of \$500.00 with speaker stand and cable for a package price of less than \$550.

Two or more Harman Professional MAP Products (but excluding bundles comprised solely of pairs of identical loudspeaker products) advertised for one price, if the total package or bundle price is less than an amount that is 95% of the sum of all the individual MAP prices.

Example: Products A and B have MAPs of \$299 and \$499, respectively. If they are advertised for one price, and the advertised price is less than \$758.10, then the advertisement is not consistent with the MAP Policy.

Two or more Harman Professional MAP Products that are identical loudspeaker products, advertised for one price, if the total package or bundle price is less than the sum of all the individual MAP prices.

Example: Product A (which is a loudspeaker) has MAP of \$299. If it is advertised for one price as a pair, and the advertised price is less than \$598, then the advertisement is not consistent with the MAP Policy.

**QUESTIONS AND ANSWERS**

<b>QUESTION</b>	<b>ANSWER</b>
What is "MAP?"	MAP stands for Minimum Advertised Price. MAP Policy refers to this unilateral Minimum Advertised Price Policy, which began on the effective date listed on the cover sheet of the Minimum Advertised Price Policy documents.
Why did Harman Professional implement this MAP Policy?	<p>Harman Professional's objective is to have its products compete with other brands in the marketplace on the basis of total value, including quality, features, after sale support, and price. Harman Professional has established this MAP Policy in an effort to ensure the long-term viability of its brands and to help protect the investment of those Dealers that provide valuable services to their customers.</p> <p>Harman Professional feels that a written policy best serves the interests of its Dealer network as a whole. Harman Professional's products consist of high performance, high quality audio/lighting/control equipment whose premium image has been well earned through extensive product and market development activities and through superior customer service.</p>
How does MAP work?	Harman Professional has always exercised the right to select its dealer network. In doing so, it considers a number of factors, including advertised pricing. Harman Professional has unilaterally implemented this MAP Policy and has determined specific minimum prices at or above which it believes Dealers should advertise its MAP Products in order to remain Authorized Harman Professional Dealers. Harman Professional has the unilateral right to deal with Dealers who choose to operate consistently with this MAP Policy, and to not deal with those Dealers who choose not to operate consistently with the terms of the MAP Policy.
Does this mean that a Dealer must agree to advertise at or above the MAP?	No. Harman Professional is not requiring its Dealers to agree to the MAP Policy or its requirements and will not enter into any such agreements or entertain any offers of such agreements. Harman Professional has unilaterally implemented the MAP Policy as its own policy, and advises Dealers that, in unilaterally determining a Dealer's eligibility to continue as an Authorized Harman Professional Dealer, Harman Professional will consider whether a Dealer chooses to operate consistently with the MAP Policy.
What happens if a Dealer chooses to advertise MAP Products below the MAP?	Dealers may choose to advertise below MAP. However, in that event, Harman Professional will, in its sole and absolute discretion, unilaterally suspend or revoke such Dealer's designation as an Authorized Harman Professional Dealer with respect to some or all Harman Professional products (as set forth in the MAP Policy), including suspension or revocation of all unfilled existing and new orders and shipments.
Can Harman Professional change the MAP on a product during the fiscal year?	Yes. Harman Professional reserves the right to change the MAP on a MAP Product and to temporarily or permanently add or remove MAP Products in the Price Lists and policy bulletins. Dealers will be notified in writing, via email, or other specified methods of any changes.
What advertising or other communications with customers are subject to the MAP Policy?	All advertising messages that are Dealer-initiated and use the media or are aimed at more than one person are included in the MAP Policy. Besides print, radio, and TV, this would include <u>online and Internet communications</u> (e.g. e-mail, web sites, and auctions), catalogs, direct-mail advertising, outdoor advertising, phone solicitation by a Dealer, advertising stuffers in monthly statements, and other media. Please see the Advertising Guidelines for more details.



<b>QUESTION</b>	<b>ANSWER</b>
<p>What kinds of communications with customers are not subject to the MAP Policy?</p>	<p>In-store signs are not considered to be using media. Answers to price questions directed to specific customers who have made or sent inquiries or requests for price to a Dealer are considered consumer-initiated. Both of these are considered “offers for sale,” not advertising.</p>
<p>Does the MAP Policy apply to a Dealer’s actual selling prices?</p>	<p>No. The MAP Policy only applies to prices in advertising.</p>
<p>Will a Dealer that chooses not to follow the MAP Policy be warned?</p>	<p>No. Harman Professional will not provide any advance warning.</p>
<p>If a Dealer tells Harman Professional that another Dealer has chosen not to operate consistently with the MAP Policy, may Harman Professional act on this information?</p>	<p>Harman Professional will not discuss its monitoring or investigative efforts with any Dealer, and Dealers should not discuss or inquire about such efforts. Dealers are also not permitted to undertake their own enforcement of this MAP Policy against other Dealers.</p>
<p>Once revoked, can a Dealer be reinstated as an Authorized Dealer?</p>	<p>It is possible for a revoked Dealer to be reinstated. However, the Dealer must not communicate with Harman Professional regarding Dealer’s advertising practices that are subject to the MAP Policy, discuss or give Harman Professional any assurances about its future advertising or pricing plans, or request any second chances from Harman Professional. The decisions whether and, if so, when to reinstate any Dealer as an Authorized Dealer for Harman Professional are in Harman Professional’s sole and absolute discretion, and Harman Professional will not consider nor accept any Dealer statements or input.</p>