

## NCE Minimum Advertised Pricing Policy

NCE Corporation actively supports the advertising and promotion of its products by its domestic dealers and distributors through materials provided by NCE at no or nominal cost. We at NCE have determined that we shall not support advertising, cooperative advertising or promotional materials that have the effect of diminishing or detracting from the perceived value of NCE products.

Effective October 1, 2004, a minimum advertised price (MAP) on all NCE products will be in effect. This policy applies only to U.S. and Canadian dealers and distributors. We have implemented this MAP policy to preserve our strong reputation for providing customers with high value products and good after sales support. We greatly value the efforts of all resellers to distribute our products and support their customers.

### The MAP policy shall work under the following guidelines:

1. The MAP for all NCE products shall be **22 percent less than the MSRP** listed on each NCE price sheet for dealers and distributors. MAP pricing is established by NCE may be adjusted by NCE at its sole discretion.
2. The MAP policy applies to all advertisements of NCE products in any and all media, including, but not limited to, flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, mail order catalogs, email news letters, email solicitations, Internet or similar electronic media, television, radio, and public signage. The MAP policy is not applicable to any **in-store** advertising that is displayed only in the store and not distributed to any customer(s).
3. The inclusion in advertising of free or discounted products (whether made by NCE or another manufacturer) with a product covered by the MAP policy would be contrary to the policy if it has the effect of discounting the advertised price of the covered product below the MAP.
4. If pricing is displayed, any strike-through or other alteration of the Minimum Advertised Price is prohibited.
5. MAP applies only to *advertised* prices and does not apply to the price at which the products are actually sold or offered for sale to an individual consumer within the dealer's retail location or over the telephone. NCE dealers and distributors remain free to sell these products at any prices they choose.
6. MAP does not establish maximum advertised prices. All dealers and distributors may offer NCE products at any price in excess of the MAP. Internet auctions may not display or have reserved bid or other acceptable prices below the MAP price.
7. NCE's MAP policy does not in any way limit the ability of any dealer to advertise that "they have the lowest prices" or, they "will meet or beat any competitors price", that consumers should "call for a price" or phrases of similar import as long as the price *advertised or listed* for the products is not less than MAP.
8. From time to time NCE may discontinue models or engage in promotions with respect to certain products. In such events, NCE reserves the right to modify or suspend the MAP with respect to the affected products by notifying all dealers of such change. NCE further reserves the right to adjust the MAP with respect to all or certain products at its sole discretion. Such changes shall apply equally to all NCE dealers and distributors.
9. Intentional or repeated failure to abide by this policy will result in termination of dealership or distributorship. NCE does not intend to do business with dealers or distributors who degrade the image of NCE and its products. NCE will not provide prior notice or issue warnings before taking any action under this policy.

This MAP policy has been established by NCE to help ensure the legacy of NCE as a top producer of high performance, high quality, DCC products and to protect the reputation of its name and products. The MAP policy is also designed to ensure dealers and distributors have the incentive to invest resources into services for NCE customers.

Please indicate your understanding of this policy and your willingness to abide by its terms and conditions by signing and listing the name of your company below.

Distributors of NCE products will supply a copy of the NCE MAP policy to any new or existing reseller to be filled out, acknowledged and returned to NCE. This form shall be signed and returned to NCE and in doing so, will bind the reseller to abide by the MAP and reseller requirements spelled out in this document.

Company: \_\_\_\_\_ Date: \_\_\_\_\_

Authorized Representative: \_\_\_\_\_