



# SK HAND TOOL, LLC

## MINIMUM ADVERTISED PRICE POLICY

Effective November 1, 2017

Updated: October 10, 2019

**SK** Hand Tool, LLC ("**SK**") is a leading manufacturer of professional grade hand tools in the United States. We take pride in delivering industry leading quality, innovation, and performance through our products and believe it is important that resellers of our products commit a substantial amount of time and resources to learn, understand, support, and promote our products. Accordingly, **SK** has unilaterally implemented this Minimum Advertised Price Policy (the "Policy") to encourage authorized resellers ("Resellers") of **SK** product to invest the requisite time and energy into **SK**'s products, to remain competitive in the marketplace, to protect **SK**'s image and brand equity, and to ensure that the prices at which our products are advertised reflect the value and quality of those products.

### **1. Scope of this Policy**

The **SK** products to which this Policy applies (the "Products") are listed on the document entitled "**SK** MAP Policy Products," the current version of which can be found at [https://sktools.com/content/sktools/en\\_US/map-pricing-policy0.html](https://sktools.com/content/sktools/en_US/map-pricing-policy0.html). This Policy is non-negotiable and applies to all advertisement and promotion of the Products, including without limitation all websites, posters, coupons, mailers, newspapers, magazines, catalogs, television, radio, public signage, printed advertisements, social networks, banner ads, broadcast e-mails, landing pages, etc. **SK** reserves the right to modify the list of products to which this Policy applies at any time by updating the **SK** MAP Policy Price List. It is each Reseller's responsibility to check the **SK** MAP Policy Price List regularly and to know which Products are covered by this Policy.

Please note that *this Policy applies to all advertised prices* and not to the price at which the Product is actually sold to an end customer. Resellers are free to sell the Products at any prices they choose.

**SK** is not asking or requiring resellers to agree to any aspect of this Policy. This Policy is administered unilaterally by **SK**. Just as resellers may cease purchasing SK products at any time, for any reason, **SK** reserves its right to cease doing business with any reseller with or without cause. **SK** does not seek consultation with any Reseller and **SK** will not negotiate with or enter into an agreement with any Reseller regarding this Policy or regarding the prices at which the Reseller will sell the Products. Please note that **SK** employees and representatives are not authorized to discuss any aspect of this MAP Policy, including the meaning or interpretation of this Policy. All inquiries regarding this MAP Policy should be directed to the following email address: [skmappricing@skhandtool.com](mailto:skmappricing@skhandtool.com)

**SK** may modify this Policy at any time in its sole discretion and **SK** will enforce this Policy in its sole discretion. There are no third-party beneficiary rights to this Policy. **SK** has the right, but not the obligation, to occasionally monitor, review or audit Resellers' websites and advertisements for compliance with this Policy. Any failure by **SK** to require compliance with any provision of this Policy will not operate as a waiver to require strict compliance in the future.

### **2. Advertised Prices**

Resellers cannot advertise or otherwise promote the Products at a net price lower than the SK published MAP price current at the time of the advertisement or promotion (such price is referred to in this Policy as the "MAP"). A price that can be seen on the reseller's website prior to being placed in a customer's virtual shopping cart and other similar features where the communications are initiated by the Reseller shall constitute "advertising" under this MAP Policy. However, a price that can only be seen by a customer after the customer has placed the item in his/her virtual shopping cart shall not be considered to be an advertised price. A list of current MAPs can be requested by emailing [skmappricing@skhandtool.com](mailto:skmappricing@skhandtool.com). Applicable taxes and shipping/handling charges paid by the Reseller's customer will not be calculated as part of the MAP.

**Allowable:**

- Resellers may advertise that customers may contact the Reseller to learn the actual sale price, such as "call for a price" or "email for a price." For "email for a price," any response must be individualized and not an automated or auto-generated response.
- General proclamations in general that the Reseller has "the lowest prices" or will match or beat its competitors' prices, so long as the Reseller does not include any advertised price below MAP and otherwise complies with this MAP policy.
- Bundled promotions where the individual product price cannot be ascertained. For example: "25% off your entire order" or "Spend \$250 to receive \$50 off."
- Rebate programs.
- Offering of free shipping.
- Offering of no-interest financing.

**Not Allowable:**

- When shown on the same page, email or ad as the Products, promotional gift cards, instant rebates and other promotional activities that effectively lower the advertised price below the MAP are not permitted.
- A reseller selling or providing **SK** products to another reseller or third party whose online advertised price is below the MAP.
- Product specific coupons that provide net advertise price below MAP.
- Any other practice where the advertised price is lower than MAP.

**SK** reserves the right to offer manufacturer sponsored discounts and rebates. Advertising these promotional offers shall not be considered a violation of MAP policy, provided the advertisement includes a MAP-compliant price, the promotional or rebate offer amount and the net price after the manufacturers offer in the same type size and style.

**3. Enforcement of this Policy**

**SK** monitors the advertised prices of Resellers, either directly or via the use of third party agencies or tools. Resellers are expected to provide reasonable cooperation in any **SK** investigations regarding possible MAP policy violations. Hindering, obstructing, delaying, or otherwise failing to cooperate with a SK MAP policy investigation is a violation of this MAP policy.

Upon verification by **SK** to its satisfaction that the Reseller has advertised or promoted a Product at a net price less than the MAP, or has otherwise violated this policy, SK will take the following actions:

**1.** Upon Reseller's first violation, **SK** will issue a notice of violation to the offending Reseller via email. The Reseller will then have five (5) business-days from the date of **SK**'s notice to correct the violation and comply with this Policy.

If the Reseller does not correct the violation within the aforementioned five (5) business-day period, then the Reseller will be deemed to have committed a second violation of this Policy and **SK** may proceed as described in paragraph 2, below. If the Reseller corrects the first violation within the five (5) business-day period, but violates the policy again within six months, then **SK** may also proceed as described in paragraph 2, below.

**2.** Upon a Reseller's second violation, **SK** will issue a second notice of violation and **SK** will decide not to accept or fill any orders for a period of up to thirty (30) days from the date of the written notice of violation. The Reseller will have forty-eight (48) hours from the date of the second violation notice to correct the violation in order to avoid a third violation notice.

**3.** Upon a Reseller's third violation, **SK** will issue a third notice of violation by email to the reseller and **SK** will not accept or fill any orders from reseller for a period longer than 30 days or indefinitely, as determined by **SK** in its sole discretion.

If a reseller with multiple locations or online sites violates this MAP policy at any one location or associated site, then **SK** will consider this to be a violation by the reseller.

**SK**'s MAP Policy Administrator is solely responsible for determining whether a violation of MAP policy has occurred, as well as determining final sanctions. **SK** reserves the right to modify, change, or cancel this policy at any time. **SK** appreciates your compliance with this Policy and thanks you for your continued support.