

Effective January 1st, 2025

CUTEK[®] MAP and IMAP Pricing Policy

Purpose

CUTEK Canada, distributor of CUTEK[®] products has established a policy regarding the Minimum Advertised Price (MAP) and Internet Minimum Advertised Price (IMAP) for the CUTEK[®] line of products, which are sold and distributed in Canada and the United States. Implementing a MAP and IMAP is integral to maintaining CUTEK[®]'s brand value and reputation for high-quality products. Many years have been spent building the CUTEK[®] reputation as an industry leader, and CUTEK[®] products are recognized as premium products within the Canadian marketplace. CUTEK[®] makes a significant investment annually in brand name recognition programs. Advertising CUTEK[®] products at deep discounts, therefore, diminishes CUTEK[®]'s brand value and that of its products in Canada and around the world. In order to uphold CUTEK[®]'s **premium** brand position and protect reseller margins such that CUTEK[®]'s desirable and reliable pre-sales and post-sales service and support can be provided, CUTEK Canada has adopted this CUTEK[®] MAP and IMAP Pricing Policy (the "Policy").

This MAP and IMAP policy is effective as of January 1st, 2025.

Definitions

- **Minimum Advertised Price (MAP):** The lowest price at which a CUTEK[®] product can be advertised.
- **Internet Minimum Advertised Price (IMAP):** The lowest price at which a CUTEK[®] product can be advertised online.

Scope

These policies apply to all advertisements of CUTEK[®] products. "Advertising" under this policy means public announcements promoting CUTEK[®] products in any form, including but not limited to online listings, flyers, catalogs, emails, and social media posts. "Click for price" features on websites that display a price below IMAP are not allowed. The MAP and IMAP are based on the net advertised price (i.e., net of all discounts, rebates, etc.).

This Policy does not apply to the price at which the MAP and IMAP products are actually sold. Each reseller is free to sell MAP and IMAP products at prices of their choosing, subject to the advertising restrictions set forth in this Policy and other applicable CUTEK Canada policies.

Policy Guidelines

1. MAP and IMAP Pricing:

- CUTEK Canada will establish the MAP and IMAP for each CUTEK[®] product and communicate them to resellers.
- Resellers must not advertise CUTEK[®] products below the MAP in any physical or online medium.
- Online advertised prices must not fall below the IMAP.
- It is the lowest price retailers can publicly display.

2. Promotions and Discounts:

- Any promotional discounts, coupons, or rebates must not reduce the advertised price below the MAP or IMAP.
- Volume discounts, special promotions (including but not limited to the addition of value with additional products), or sale events that reduce price below MAP and IMAP must be pre-approved by CUTEK[®] Canada in writing.

3. Shipping

- The advertisement of free or discounted shipping in conjunction with CUTEK[®] products falls under special promotions and must be pre-approved by CUTEK Canada in writing
- This excludes storewide promotions (e.g., spend \$200, get free shipping)

The following are some examples of advertising that do not comply with this Policy and constitute MAP violations:

- Advertising a MAP or IMAP product at a net price that is less than the established MAP
- Advertising a single MAP or IMAP product that is part of a bundle of products (regardless of whether or not the bundle contains non-MAP or IMAP products) and/or advertising a single MAP or IMAP product bundled with a free product to net the price down
- Advertising a MAP or IMAP that uses coupons, rebates (no sales tax events, etc.), or other similar promotional language where the final price of the MAP or IMAP product, after deducting the value of the promotion scheme, would be below the MAP or IMAP product
- Advertising a MAP or IMAP product in which shipping and/or handling is used to evade the applicable MAP:
 - Example: Where MAP or IMAP is \$99.00 and an advertisement indicates the price of the product is \$79.00 plus \$20.00 shipping and handling, a MAP or IMAP violation has occurred
- Advertising a MAP or IMAP product that is included in a storewide / site blanket discount event where the final price of the MAP or IMAP product, after deducting the value of the discount, would be below MAP or IMAP:
 - Example: Take an extra 15% off all stain event is a MAP or IMAP violation

- Advertising a MAP or IMAP product in any other manner that circumvents or is intended to circumvent the intent of this Policy. For example, resellers may not use different model numbers or any other means of identifying MAP or IMAP products to circumvent the terms of this Policy
- Advertising a MAP or IMAP product that states “price is too low to list” is a MAP or IMAP product violation
- Using “hover-over” or other similar techniques that do not require a user to “click” their mouse to see the actual price is a MAP or IMAP product violation
- Utilizing a “click to see price,” “add to shopping cart,” or similar technique to hide or generally not make readily available the advertised price of a MAP or IMAP product is a MAP or IMAP violation.

4. **Enforcement:**

- Every CUTEK[®] reseller advertising CUTEK[®] products is solely responsible for its compliance with this Policy. Each CUTEK[®] reseller is also responsible for compliance with this Policy by its reseller customers and the sanctions listed in this Policy may be imposed on the CUTEK[®] reseller as a result of violations of this Policy by its reseller customers.
- All CUTEK[®] resellers that sell directly through the internet are subject to this Policy and must notify CUTEK Canada in writing of all websites and/or URL's through which they advertise and/or sell CUTEK[®] products. Each CUTEK[®] reseller is responsible for ensuring that all MAP and IMAP products that it sells, directly on the internet, comply with the terms of this Policy.
 - CUTEK[®] resellers are limited to online sales from their own website(s). CUTEK Canada does not authorize selling CUTEK[®] products on any third-party sites, including, but not limited to: search engines, auction sites (e.g. eBay.com), shopping marketplaces (e.g. Amazon.com/.ca, Walmart.com/.ca), other third-party sites (e.g. Craigslist.com), or any other website.
- CUTEK Canada will also monitor advertised prices across various platforms to ensure compliance.
- Should a CUTEK[®] reseller choose not to adhere to this Policy or if a CUTEK[®] reseller advertises in a manner that does not comply with this Policy, CUTEK Canada may, at its sole discretion, take any or all of the following actions:
 - refuse orders of particular products and or an entire order,
 - withdraw promotional, contract or pricing discounts previously offered,
 - terminate any or all intellectual property or similar licenses granted to such dealer,
 - cancel such reseller's authorized distributorship arrangement with CUTEK Canada, and/or
 - impose any other penalty deemed appropriate by CUTEK Canada.

- Upon the occurrence of a MAP or IMAP violation, CUTEK Canada will send a written notice (via email, courier or both) to the CUTEK[®] reseller outlining the violation. If the MAP or IMAP violation is not corrected within 24 hours of delivery of the warning, CUTEK Canada may implement any or all of the actions listed above.
- CUTEK Canada reserves the right to exercise any and all acts or remedies (in addition to any expressly described in this Policy) to enforce and prevent further violations of this Policy.
- Resellers have the right to appeal decisions by providing evidence or context to the alleged violation.
- Upon notification of a MAP or IMAP violation, the CUTEK[®] reseller shall remove all CUTEK[®] products from its website and all other advertisements within 24 hours. Once remedied to the sole satisfaction of CUTEK Canada, the CUTEK[®] reseller may reinstate and or reactivate CUTEK[®] sales.

5. Exceptions:

- Authorized temporary promotions or discounts, such as holiday sales, must be approved by CUTEK Canada.
- Close-out sales or discontinued items are exempt from this policy, subject to prior approval from CUTEK Canada.

6. Reporting Violations:

- Any suspected violations may be reported to sales@cutekws.com

7. Policy Changes:

- CUTEK Canada reserves the right to modify or update this policy at any time.
- Changes will be communicated to resellers with a minimum of 30 days' notice.

Communication

- Resellers will be provided with a list of MAP and IMAP prices for all CUTEK[®] products.
- Regular updates and communications will be sent to ensure all resellers are informed of any changes or new product introductions.



Acknowledgment

By continuing to sell CUTEK® products, resellers agree to comply with this MAP and IMAP policy. Non-compliance may result in the consequences outlined in the enforcement section.

Contact Information: For questions regarding this policy or to report potential MAP or IMAP violations, please contact us at: 1-844-442-8835, or sales@cutekws.com