

Policy Regarding Minimum Advertised Pricing (MAP)

Eminence Speaker LLC actively supports the advertising and promotion of its products by its domestic dealers and distributors through materials provided by Eminence at no or nominal cost. Eminence has built a strong reputation and following among consumers. Eminence has determined that it shall not support through advertising or promotional materials, cooperative advertising or otherwise, advertisements or promotional materials that have the effect of diminishing or detracting from the perceived value of Eminence products.

Effective as of March 15, 2001, Eminence has established a minimum advertised price ("MAP") on all Genuine Eminence products. The policy applies only to U.S. and Canadian dealers and distributors.

The MAP policy shall work under the following guidelines:

1. The MAP for all Genuine Eminence products shall be listed on each Genuine Eminence price sheet for dealers and distributors. MAP pricing is established by Eminence for all Genuine Eminence products and may be adjusted by Eminence at its sole discretion.
2. The MAP policy applies to all advertisements of Genuine Eminence products in any and all media, including, without limitation, flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, mail order catalogs, Internet or similar electronic media, television, radio, and public signage. The MAP policy is not applicable to any in-store advertising that is not distributed to any customer.
3. The inclusion in advertising of free or discounted products (whether made by Eminence 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. 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. Eminence dealers and distributors remain free to sell these products at any prices they elect.
5. MAP does not establish maximum advertised prices. All dealers and distributors may offer Eminence products at any price in excess of the MAP established for such product.
6. Eminence'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.
7. From time to time Eminence may discontinue models or engage in promotions with respect to certain products. In such events, Eminence reserves the right to modify or suspend the MAP with respect to the affected products by notifying all dealers of such change. Eminence further reserves the right to adjust the MAP with respect to all or certain products at its sole discretion upon 7 days advance written notice to the dealers and distributors, provided that such changes shall apply equally to all Eminence dealers and distributors.
8. Intentional and/or repeated failure to abide by this policy will result in termination of dealership or distributorship. Eminence does not intend to do business with dealers or distributors who degrade the image of Eminence and its products. Eminence will not provide prior notice or issue warnings before taking any action under this policy.
9. The terms of this MAP policy are confidential and should not be disclosed to other parties. This MAP policy has been established by Eminence to help ensure the legacy of Eminence as a top producer of high performance, high quality, professional loudspeakers 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 Eminence 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.

Company: _____ Date: _____

Authorized Representative: _____