



January 1, 2024

CDN Minimum Advertised Price (MAP) Policy

Effective **February 15, 2024**, CDN will implement a Minimum Advertised Price (MAP) Policy. Our goal is to strengthen and build the CDN brand, while supporting and expanding our network of dealers and distributors, who play a vital role in presenting the CDN brand and its products.

When our partners' advertising diverges from CDN's established list prices, it dilutes the brand's placement in the marketplace. Instituting a strong MAP Policy benefits both CDN and our dealers and distributors by ensuring that our pricing is consistent across all sales channels.

CDN Minimum Advertised Price (MAP) Policy (Original)

At CDN, we're deeply aware of the powerful role that our dealers and distributors play in shaping how customers view our brand — a symbol of excellence and innovation in our industry. We wholeheartedly embrace the essential connection between the presentation of our pricing and our cherished partners' ability to offer exceptional, enduring value through both pre- and post-sale service, support and infrastructure. These are the pillars that support the growth and vibrancy of the CDN brand. When advertising diverges greatly from our established list prices, it doesn't just affect our brand's position in the marketplace; it can also impact our esteemed reputation for quality. CDN is excited to announce our commitment to strengthening our brand identity and fortifying our network of partners with the introduction of our Minimum Advertised Price Policy.

Considering the importance of upholding a robust brand presence and a solid network of dealers and distributors, the Company has resolved to implement a Minimum Advertised Price Policy, which will come into effect on **February 15, 2024**. This strategic decision aligns with our commitment to sustaining the brand's prestige and our partners' success.

Policy Statement

CDN requires that all dealers and distributors located in the United States, advertise CDN products at no less than a forty percent (40%) discount off the current list pricing, subject to updates and exceptions for specific items as detailed on the attached list. It is the responsibility of dealers and distributors to be informed about CDN's product offerings, this MAP Policy and any changes to CDN's list pricing. This policy does not constitute an agreement between CDN and any dealer or distributor, and CDN is not seeking any response from you. This policy is non-negotiable.

MAP Policy Coverage

This MAP Policy is strictly limited to advertised prices and does not dictate the actual resale price of CDN products. It covers all forms of advertising, including print media, electronic advertising (emails, websites, social media) and physical display advertising. Direct responses to customer inquiries and in-store price negotiations are not considered advertising under this policy.

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MAP Pricing and CDN List Prices

CDN's Minimum Advertised Price (MAP) Policy governs the advertisement of CDN products across a diverse array of media channels. Our policy includes, but is not limited to, traditional print media such as newspapers, magazines, catalogs and posters, as well as direct mail pieces. It extends to digital communications including emails, fax and electronic advertising through radio, television and the internet — this encompasses advertisements on websites owned by dealers, distributors or third parties, as well as through online banners, social media posts and digital signage.

Correspondence via email that is a direct reply to customer queries arising from physical displays or price tags within a store is not deemed "advertising" under the scope of this policy. Moreover, personal communications that involve price haggling between a dealer or distributor and an individual customer, which are not broadcasted to a wider audience, are exempt from this policy.

CDN explicitly prohibits comparative advertising tactics that might mislead customers, such as using split-screen or side-by-side layouts or employing pop-ups that could suggest alternative products from other brands when a CDN product is searched. Similarly, CDN strictly forbids any deceptive online practices that might hint at a lower price upon checkout, such as prompts suggesting "click for better price" or "see price in cart." These actions, along with any other maneuvers intended to subvert the spirit of our MAP Policy, like "group purchase" solicitations, are not permitted.

Our MAP Policy does not apply to the in-cart pricing strategies of our dealers and distributors, as long as no suggestion is made prior to the final purchase stage that a lower price may be available upon checkout. Furthermore, CDN's MAP Policy is equally enforced on third-party platforms, and no CDN partner is allowed to advertise a price that breaches our MAP Policy, even in attempts to match or beat competitor prices.

Occasionally, CDN may initiate promotional activities that could temporarily modify or suspend the MAP pricing on selected products. In such cases, CDN will inform its resellers accordingly and provide guidance on the adjusted or suspended MAP pricing for the specified duration.

CDN reserves the right to modify or discontinue the MAP Policy at any time, as well as to dictate promotional periods during which certain aspects of the policy may be altered or temporarily lifted. Any changes will be communicated promptly to our network of dealers and distributors.

MAP Policy Enforcement

This MAP Policy is a definitive stance taken by CDN, ensuring consistent and fair enforcement across the board. CDN, along with any designated third-party partners, will vigilantly oversee the advertising practices of our dealers and distributors to guarantee adherence to our MAP Policy. Should any breaches of this MAP Policy come to light, the details, including the identity of the informant, will be treated with the utmost discretion. We expect our partners to engage cooperatively in any inquiries CDN may conduct regarding potential infractions.

In the instance of an alleged violation of this MAP Policy, CDN will not engage in discussions or make concessions with any dealer or distributor based on another's alleged non-compliance. Should a violation be confirmed by CDN after a thorough review, the offending party will receive a written notice detailing the specifics of the infringement. The repercussions for violations within a 12-month span are as follows:

- **First Violation:** Issuance of a formal notice. The breach must be rectified within 2 business days to avoid escalation.
- **Second Violation:** Issuance of a formal notice along with a 10-day suspension of all shipments. The breach must be remedied within 2 business days.
- **Third Violation:** Issuance of a formal notice accompanied by a 30-day suspension of all shipments. The breach must be remedied within 2 business days.
- **Fourth Violation:** Issuance of a formal notice and a 90-day suspension of all orders. Compliance must be achieved within 2 business days.
- **Fifth Violation:** Issuance of a formal notice and suspension of the dealer's or distributor's account. Reinstatement discussions must be initiated by the dealer or distributor with CDN.

CDN will provide a minimum of 30 days' notice of any amendments to our MAP Policy or price adjustments, along with updated list prices for each product ahead of their effective dates.

Conclusion

For any questions or clarifications regarding CDN's MAP Policy, please contact our Sales and Marketing Department at map@CDNmeasurement.com. We appreciate your support and cooperation in upholding the value and reputation of CDN premium thermometers, timers and scales.

Respectfully,



Shawn DiGruccio
Executive Vice President
CDN

Authorized Reseller Name

Authorized Reseller Signature

Date

Notification Contact Name

Notification Email