



#1 IN THE WORLD

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MINIMUM ADVERTISED PRICE POLICY
FOR HJC PRODUCTS (EFFECTIVE June 1st, 2021)

1. **Introduction.** HJC America, Inc. ("HJC") is committed to maintaining the superior quality and integrity of its line of motorcycle helmets and related products and accessories ("HJC Products"). HJC has developed the following minimum advertised price ("MAP") policy for its Dealers in order to promote advertising practices that preserve and enhance the reputation of HJC Products for superior quality, and thereby encourage the long term success of HJC and its distribution network. The policy will become effective June 1, 2021, and its terms supersede and replace any and all prior advertising policies distributed by or on behalf of HJC.
2. **Minimum Advertised Price.** The MAP is defined as 0% off HJC's current manufacturer's suggested retail price ("MSRP"). A copy of the current MSRP is attached to this policy. This policy prohibits all Dealers of HJC Products ("Dealers") from advertising any HJC Product to which this policy applies at a price which is less than the minimum advertised price as established and/or modified by HJC, which it may do at any time in its sole discretion.
3. **Scope of Policy.** To the maximum extent permitted by law, this MAP Policy applies to all current HJC Products advertised for sale by its Dealers in any media, including the Internet, television, radio, telephone, and print media, and in any form including, for purposes of example only, flyers, posters, coupons, mailers, brochures, inserts, handbills, billboards, circulars, newspapers, magazines, catalogs, email, text message or facsimile transmissions, T.V. or radio commercials, all forms of Internet advertising including website display ads (for example, banner ads, pop-ups, pop-unders, floating ads, expanding ads, trick banners, interstitial ads, etc.), text-based hyperlinks, social media advertising (for example, advertising on Internet forums or social media sites such as Facebook, Twitter or LinkedIn, etc.), online auctions, advertisements or solicitations by email, text or instant messaging, and public signage other than signage posted within Dealers' physical (brick-and-mortar) retail store location(s) and which is not visible from the outside such as through a window or other means.

Price advertising displayed in response to website features such as “Click for price”, “click -through” banner ads, automated “bounce – back” pricing e -mails, “mouse over” displays, pre-formatted e-mail, text or instant messages, or similar “automatic” price advertising, including advertising generated in response to placement of any HJC Product into an internet “Shopping Cart,” clicking on a “Check -out” website link, or similar act, are all considered to be communications initiated by the Dealer (rather than by the customer) and constitute “advertising” that violates this MAP Policy if it includes below MAP pricing.

Similarly, use of e-commerce services such as Google Shopping, Price Grabber and Next Tag that result in advertised pricing below MAP is also covered by this policy and is not permitted. The Dealer is responsible for monitoring and eliminating such pricing, and Dealers that fail to do so are subject to penalties as stated in Paragraph 5 below.

This policy applies strictly to advertised prices. It does not create minimum resale prices or in any way restrict the Dealer's ability to determine its own resale prices. Moreover, the policy is not intended to prohibit any Dealer from providing below MAP quotations on an individual basis in response to a specific request for quotation by an individual customer; provided such response is not automated and is given by person-to-person communication. “Person -to-person communication” means verbal and non-automated communications with a customer by telephone or in the Dealer’s store. Dealers may indicate on their websites that customers may contact the Dealer directly for a price quotation. However, advertised inducements suggesting that prices below MAP are or may be available violate the policy. Examples of such inducements include, but are not limited to the following:

- “For best prices on this helmet, visit our store.”
- “Call (or email) us for lowest prices.”
- “This price too low to advertise.”
- “Click here (or mouse over) for best price.”

4. **Administration of MAP Policy.** This is a unilateral policy and it will be administered and enforced by HJC in its sole discretion. “Unilateral” means one-sided, independent and/or by itself. In the context of HJC’s MAP policy, this means there is no agreement, side agreement or any mutual decision between a Dealer and HJC to resell, market and/or advertise at any price. Each Dealer must independently and unilaterally set its own pricing.

The MAP for any HJC Product will be determined by HJC and communicated to Dealers by HJC by Internet, email and/or in writing from time to time. No external complaints or reports concerning this policy are solicited by HJC, nor will any such external complaints or reports be used by HJC as a basis for enforcement of the policy. No employee or representative of HJC will discuss or negotiate this policy with individual Dealers, other than to advise Dealers regarding the administration of the policy. Questions regarding the policy should be directed to HJC via email at support@hjchelmets.com.

HJC may engage in monitoring of advertised prices of HJC Products to which this policy applies, either directly or via the use of third parties. Third parties retained by HJC may engage in monitoring of Dealer advertisements and website advertising including, but not limited to, review of advertised prices.

5. **Violation of MAP Policy.** While Dealers have the complete freedom to resell HJC Products at any price and to advertise HJC Products in any manner that they choose (subject to the terms and conditions of the HJC Authorized Dealer Agreement), if HJC verifies that a Dealer is advertising HJC Products below the MAP or is otherwise violating this policy, HJC will impose the following penalties:

- Upon the first violation, HJC will issue a written notice of violation to the Dealer and will give the Dealer an opportunity to remove from publication (including Internet) any price advertising that violates this policy.
- Upon a second violation, a second written notice will be issued, and the Dealer's right to purchase HJC products will automatically be suspended for a period of 60 days after the date of second notice.
- Upon a third violation, a third written notice will be issued and, in HJC's sole discretion, the Dealer's right to purchase HJC products will automatically be suspended for a period to be determined by HJC or the Dealer's HJC Authorized Dealer Agreement will be terminated.

Separate violations will be deemed to have occurred if a violation continues after HJC has issued a notice of violation to a Dealer (e.g., the same offending advertisement runs on multiple occasions or in different media). The preceding enforcement measures are necessary to protect HJC's reputation and the integrity of its products.

6. **Intentional Violations.** Intentional failure to abide by this MAP Policy will result in sanctions unilaterally imposed by HJC. The level of sanctions will be determined by HJC in its sole discretion. HJC does not intend to do business with Dealers who degrade the image of HJC and its products. In the event of an intentional violation, HJC may choose to, but need not provide prior notice or issue warnings before terminating a Dealers' HJC Authorized Dealer Agreement or taking any other action under this MAP Policy.

7. **Other Violations.** The following practices will also be treated as violations of the policy, on the basis that they violate the spirit of the policy and may be used to circumvent the policy:

- The use of any rebate, discount, coupon, promotion, giveaway or incentive in any advertising by a Dealer where the cumulative effect is to reduce the advertised price of any HJC Product below its MAP.

- The use of "click on," or "click through" buttons on a website, or any similar buttons or automated price quotation transmission feature to provide automatic price quotations at below the MAP for any HJC Product.
- Any activity which HJC determines, in its sole discretion, is designed or intended to circumvent the intent of this MAP Policy.

8. **Dealers with Multiple Locations or Outlets.** For Dealers with multiple store locations or sale outlets (e.g., multiple brick-and-mortar locations, brick-and-mortar locations plus one or more Internet outlets, multiple Internet outlets, etc.) a violation of this policy by any one store location or sale outlets shall be considered a violation by the entire dealership.

9. **Dealers Selling Through Websites.** A Dealer may market, advertise or sell HJC brand products to end-user retail customers through one or more websites, including (but not limited to) auction websites as eBay or Amazon (hereafter referred to as "Other Websites), either under its HJC Authorized Dealer name or a different name, provided that:

- The Dealer first informs HJC in writing of its intent to begin marketing, advertising, and selling HJC Products over the Internet and provides HJC with (a) the name of each website with which it is or intends to become affiliated or through which it intends to advertise, market or sell HJC Products, and (b) the name or names under which it will be conducting business on these websites;
- Such sales are made by the Dealer to directly to end-user retail customers only, and not for resale by any other party including an auction website, including by way of example and not limitation, by eBay or Amazon, and;
- Such sales otherwise comply with the terms of the Dealer's HJC Authorized Dealer Agreement and this MAP policy;

For Dealers who are already marketing, advertising and selling HJC Products though Internet websites, the above information must be provided no later than the 30th day following announcement of this updated MAP policy.

In the event that a dealer elects to market, advertise or sell HJC Products on or through one or more Other Websites, this MAP policy shall apply with equal force to all advertising of HJC Products thereon.

In the event that an Other Website is owned (directly or indirectly or in whole or in part) by an authorized HJC Dealer or by one or more of its principals or his, her or their family members, the use of a name for such Other Website other than the HJC Authorized

Dealer name (or an alternate name provided to HJC in writing as required above) shall be deemed conclusive evidence of an effort to circumvent the provisions of this MAP policy, for which HJC may terminate such Dealer's HJC Authorized Dealer status by notice to such Dealer without first or second warnings.

In the event that there is no commonality of ownership (directly or indirectly or in whole or in part) between the Dealer and the Other Website, but the Dealer is selling products to such Other Website (directly or on a consignment or similar basis), then the Dealer is in violation of its HJC Authorized Dealer Agreement which prohibits, among other things, sales of HJC products by the Dealer to anyone other than a retail end-user customer. Violation of the HJC Authorized Dealer Agreement by a Dealer selling to or providing any HJC product to any such Other Website is a material breach of such agreement, for which HJC may terminate such Dealer's HJC Authorized Dealer status by notice to such Dealer without first or second warnings.

10. **Current Products Only.** This policy shall apply only to current products and shall not apply to any non-current, close-out or discontinued HJC products. The determination as to whether a product is no longer current, or is a close-out or discontinued product, shall be made by HJC in its sole discretion. All HJC products shall be deemed current products as described in HJC's website or other official materials from HJC.

11. **Amendments.** HJC reserves the right to amend or cancel this policy and/or its minimum advertised prices at any time upon prior written notice to Dealers. Amendments to the policy will not apply to any Dealer advertising that has already been prepared and is scheduled for delivery within 30 days after the date that HJC gives the Dealer notice of the amendment. Otherwise, Dealers are responsible for observing the current version of this policy as well as the current MAP pricing.