



Minimum Advertised Pricing Policy

Updated 12/28/2022

Horsepower Automotive, a limited liability company doing business under the brands Addictive Desert Designs, DV8 Offroad, & Rago Fabrication, has adopted the policies described below (collectively, the “Policies”), effective January 1, 2022, for the advertising, marketing, and reselling of Horsepower Automotive branded products to customers in the United States by Horsepower Automotive’s warehouse distributors, jobbers, dealers, and other downstream resellers (collectively, “Customers”). Horsepower Automotive greatly values the efforts of all Customers to distribute Horsepower Automotive products and support our brand. This MAP Policy has been adopted for the benefit of all Customers and will be uniformly enforced.

This MAP Policy is designated for all “active” part numbers, as listed on the Horsepower Automotive data file, available from SEMA Data, DCI, ASAP Network, or direct from Horsepower Automotive. Discontinued products will not be enforced nor have a MAP price assigned to them.

Adherence to our MAP Policy is important for the success of all concerned. Not only does it protect the value of our brands, but it protects the margins for all resellers and ensures fair competition across all distribution channels.

Pricing

1. Horsepower Automotive has issued a minimum advertised price (“MAP price”) for each of its active products (as listed on the public data file).
2. The MAP price is the absolute lowest price that a Horsepower Automotive product can be advertised for retail sale in accordance with this Minimum Advertised Pricing Policy (“MAP Policy”).
3. The online display (e.g., via an online store or website) of a retail price for any Horsepower Automotive’s active products that is below the established MAP price for such product shall be considered a violation of the MAP Policy unless the price only appears after the customer has already selected (“added to cart”) the item for purchase and proceeded to checkout will not be deemed a violation of the MAP Policy
4. Online advertising methods that Horsepower Automotive believes, in its sole interpretation, are designed to bypass the intent and purpose of the MAP Policy are strictly prohibited and considered a violation of the MAP Policy. By way of example only and not limitation
 - a. Displaying a price MAP or otherwise online which appears to be crossed-out or lined-through as a means of inviting a prospective customer to click through to reveal a below-MAP price.
 - b. Attempts in advertising to evade the restrictions of the MAP Policy—including, without limitation, statements such as “prices too low to advertise” or “make an offer” or other practices deemed by Horsepower Automotive to have the purpose of disguising or concealing actual advertised pricing of those products.



c. Any attempt to advertise new Horsepower Automotive products for retail sale below MAP prices by falsely and/or deceptively identifying such products as “open box,” “used,” or “like new,” for example.

Advertising

Horsepower Automotive wishes to promote advertising and marketing that focuses on product performance, their high quality, innovation, unique features, and similar attributes that convey the superior brand image associated with Horsepower Automotive products.

1. Horsepower Automotive has issued a minimum advertised price (“MAP price”) for each of its active products (as listed on the public data file).
2. The MAP price is the absolute lowest price that a Horsepower Automotive product can be advertised for retail sale in accordance with this Minimum Advertised Pricing Policy (“MAP Policy”).
3. This MAP Policy applies to all forms of public advertising in connection with retail sales of Horsepower Automotive products, including without limitation:
 - a. Websites, Marketplaces (Amazon, eBay, Walmart, etc.), Newspaper, Magazine, Other print ads
 - b. Catalogs, Buyer’s guides, and other forms of product listings
 - c. Mass Emails, Online Message Boards, Direct mail fliers solicitations or offers
 - d. Radio/television commercials and webcasts
 - e. And all other forms of public communications and/or private communications initiated by a customer to multiple customers or prospective customers, to the extent used to advertise available prices for Horsepower Automotive’s products.
4. Any advertisement that offers an instant rebate (other than a manufacturer’s rebate), coupon or similar means of discounting the retail price of any of Horsepower Automotive’s products below MAP pricing is a violation of the MAP Policy.
5. To the extent any such advertisement or offer is presented as applying to “all products” or the customer’s “entire order” (or similar), such advertisement or offer must clearly and expressly exclude Horsepower Automotive’s products.
6. Horsepower Automotive understands that customers may wish to market their own brand names in connection with the sale of Horsepower Automotive’s products using customer-funded: gift cards, sweepstakes, “Gift with purchase” promotions, or other similar promotions.
 - a. From time to time, Horsepower Automotive may authorize such promotions and will make the guidelines related to any authorized promotions available to all customers.
 - i. A customer that advertises a promotion in accordance with these guidelines **will not** be deemed to have violated the Brand Marketing Policy or the MAP Policy.



Marketplace Policies

1. Wholesale Distributor, Jobber, Dealer or Downstream Sellers are NOT to sell directly to Amazon 1st Party Direct. Sales on 3rd Party Marketplaces are only to be conducted on existing Jobber, Dealers, and Downstream resellers own Amazon storefronts.
2. As of 12/06/2022 no new Wholesale Distributor, Jobber, Dealer or Downstream Sellers accounts are permitted to sell on 3rd Party Marketplaces (Amazon, Walmart, eBay, etc.)

Enforcement of Policies

1. Horsepower Automotive will monitor advertising, marketing, and sales activities for its products, both online and elsewhere, to ensure compliance with its applicable Policies, and act as necessary to those not in compliance with these Policies.
 - a. Horsepower Automotive reserves the right to take such actions at any time and from time to time, to any Customer that violates any of the Policies after being provided notice of the applicable Policies.
2. Any account(s) listed on the Horsepower Automotive Do Not Sell List ("DNS List") lose the following brand support:
 - a. Access to purchase product directly or through distribution
 - b. Warranty coverage for products sold by offending company
 - c. Use of intellectual property on marketplaces and websites
 - d. Customer service assistance to company
3. Jobber, Dealers and Downstream resellers violations will be processed as below:
 - a. An initial violation will result in:
 - i. First time violators will be given 48 hours upon notification to correct all MAP pricing.
 - ii. First time violation status is permanent.
 1. If no correction is made, it will be considered a rejection of the MAP Policy and will constitute a second violation.
 - b. A second violation (repeat offense or new offense) will result in:
 - i. A 30-day suspension after all violations are corrected.



ii. A permanent loss of 5 points of violating customer's current discount program.

iii. Second time violation status is permanent.

1. If no correction is made, it will be considered a rejection of the MAP Policy and will constitute a third violation.

c. A third violation will result in:

i. Loss of all purchasing privileges and the violator will be moved to Horsepower's Do Not Sell list for all brands.

ii. Third time violation status is permanent.

4. Any Wholesale Distributor, Jobber, Dealer or Downstream Seller who continue to fulfill orders for any account on the DV8 Offroad DNS list will carry the following penalties:

a. An initial violation will result in a notification to act appropriately in stopping sales to the restricted account(s)

b. A second violation to the same restricted customer could result in DV8 Offroad:

i. Declining to accept new purchase orders from the Reseller

ii. Loss of product discount for a period of time (to be determined at the time of infraction)

iii. Loss of partial or all marketing funds

iv. Adding the Reseller to DV8 Offroad's "Do-Not-Sell" list

v. Loss of intellectual property rights

vi. Loss of warranty coverage for purchases.



Acknowledgment of Horsepower Automotive's Minimum Advertised Pricing Policy

This Policy is the unilateral policy of Horsepower Automotive and is not a contract or agreement with any Customer. Horsepower Automotive reserves the right to modify and/or amend this Policy at any time and from time to time in its sole discretion.

I, the undersigned acknowledge that I have reviewed and understand the policies within this document provided by Horsepower Automotive. I understand it is my responsibility to comply with and implement all policies and procedures included in Horsepower Automotive's policy documents.

Print Name

Title

Signature

Title