

Wilshire Manufacturing MAP Policy

ONLINE ADVERTISING AND DISTRIBUTION & MINIMUM ADVERTISED PRICE (MAP) POLICY

Wilshire Manufacturing sells products through multiple channels including but not limited to lighting showrooms, interior & lighting designers that resell, online resellers and occasionally directly to end-consumers. To support nationwide resale, Wilshire is implementing a MAP policy. The details of the Wilshire's MAP policy are contained in the following document. Wilshire believes that the MAP Policy will not only encourage resellers to promote and invest in properly positioning the Wilshire products, but will also help in establishing the long-term value of the Wilshire's brand in consumers' minds.

UNILATERAL MAP POLICY

The word "unilateral" in this context means the implementation of the MAP policy is not by agreement with resellers but implemented by Wilshire independently and by itself. This means this policy does not involve, and there shall be no agreement, side agreement or any mutual decision between reseller and Wilshire to resell, market and/or advertise at any price. Each reseller in each category must independently and unilaterally set its own pricing.

The MAP Policy does not affect the reseller's actual resale price. Each reseller is expected to unilaterally and independently determine the price at which it sells products to end consumers/installers (including Wilshire products).

In order to avoid any implication that Wilshire is agreeing with any reseller on pricing, for the mutual protection of Wilshire and any reseller, there is not currently, nor shall there be in the future, any discussion or any negotiations between Wilshire and the reseller regarding compliance or pricing in conjunction with the MAP Policy. In addition, there should be no discussion between Wilshire sales representatives, account managers and any reseller concerning advertising or pricing by another reseller or any other reseller's compliance with the MAP Policy. This policy is company wide. No Wilshire employee is authorized or permitted to request, demand or accept any assurance of compliance from any reseller in regards to the MAP Policy. No sales representative or other Wilshire employee or agent is authorized or permitted in any form or fashion to interpret or discuss the Wilshire MAP Policy with any reseller in any category. Of course, any reseller is free to independently decide whether or not to follow the MAP Policy. Wilshire does not ask for, nor will it accept, any assurance of compliance or agreement from any reseller in any category regarding the MAP Policy.

The MAP Policy applies to every retailer, e-tailer and resellers to end

consumers/installers.

PRODUCTS AFFECTED BY THE MAP POLICY

The MAP Policy applies to products for which a Minimum Advertised Price is specified on the then-current Wilshire Price List. The MAP Policy does not apply to any Wilshire identified discontinued, refurbished, closeouts, damaged, second-hand merchandise.

ACCEPTABLE SALES CHANNELS

Each reseller remains free to advertise its own products and services. A reseller may advertise and sell Wilshire Products through the reseller's own proprietary internet store residing on a URL(s) controlled by reseller. By way of example only and not in limitation, reseller ABC Company may sell on its own propriety online store residing at www.abc-company.com. No reseller may advertise or sell Wilshire Products on any other "marketplace" websites, including with limitation on www.amazon.com, (for clarity amazon and other site product ads (at MAP pricing) are acceptable so long as the sale occurs on the reseller's site) www.ebay.com or on www.lowes.com, www.sears.com or other "DIY/Lighting" websites. All Domains where Wilshire products will be sold on must be submitted for approval and Wilshire must be made aware of any changes/additions in advance. Wilshire may withhold approval for any domain at its sole discretion.

ADVERTISING MEDIA

The MAP Policy includes, without limitation, the following advertising media:

1. Publications including product listing ads, newspapers, newspaper inserts, weekly circulars, magazines, periodicals and other print media;
2. Direct mailers including flyers, newsletters and email
3. Preprinted materials including posters, brochures, or in-box inserts, banners and faxes
4. Broadcasts including radio and TV ads
5. Billboards
6. Mail-order catalogs
7. Alternative media, Internet websites and search engines

The MAP Policy does not cover in-store advertising. The MAP Policy does not cover in-store merchandising such as POPs, POS, shelf-talkers, pricing tags, end-cap displays and window displays.

Resellers with web sites are advised to review the following:

The MAP Policy requires that a price no less than the MAP price be shown on all Internet advertising (i.e., all levels of a website page up to and including the shopping cart page).

The MAP Policy covers banner advertisements, broadcast e-mails, destination pages and third-party sites such as:

1. Internet-only e-tailer websites
2. Websites of traditional retailers, designers, distributors and mail-order businesses, including membership clubs
3. Portal sites
4. Shopping sites
5. Auction sites
6. Banner advertisements (i.e., on any website, including the reseller's own website and pages that follow banner advertisements upon click-through)

If final price at which the reseller sells a covered Wilshire Product is less than the then-current MAP price, the reseller may list that final price only on private materials (i.e. receipts, websites, order confirmation emails) accessible by the reseller and the end-consumer, who must be a registered member of that site.

Each reseller is expected to unilaterally and independently determine the price at which it sells Wilshire products to consumers. All current products are subject to MAP. For current MAP price limit resellers should contact MAPadmin@wilshiremfg.com. Wilshire reserves the right to change which products are subject to its MAP Policy and/or add or remove products. Resellers will be notified at least 48 hours before any changes are implemented and all resellers are expected to keep abreast of and adhere to MAP policy changes.

The following is a list of examples of violations of the Wilshire MAP policy:

1. An ad implying that a covered product is being offered at a price below the MAP price violates the MAP Policy. It is a violation of the MAP Policy for an advertisement to include language or graphics that state or suggest that a MAP product is being promoted at a price less than the MAP price.
2. An example of a MAP Policy violation for an advertisement would include: • Showing the price of the MAP product with a slash line through it in a manner that states or suggests that the advertised offer is less than the MAP price.
3. Offer an instant rebate or "\$X or X% off" in a manner that states or suggests that the advertised offer is less than the MAP price (i.e., unless MAP products are specifically identified as excluded from the offer or such that the resultant price is still at or above the current MAP price).
4. Offer any MAP products as a free or gift item. •
5. Use language such as "sale price" or "new low price" or words such as "subtract", "less" or "take away" in a manner that states or suggests the advertised offer is less than the MAP price.
6. Include language such as "price too low to print".
7. Where a "coupon," rebate or a discount for use is advertised, the value of the coupon or that discount will be subtracted from the listed advertised price to determine the effective promotional price.
8. Where the MAP price is crossed out, the customer is asked "to call for price,"

or any other means is used to indicate that the actual price may be less than the MAP price, such practices are considered advertising or promotion within the meaning of this policy.

For the sake of clarity free shipping promotion and automated “cart/site” abandonment promotions to customers are acceptable and DO NOT violate this MAP Policy.

Unless ads containing added-value promotional products/services are part of a Wilshire promotion, advertisements containing added-value promotional products/services in connection with the offer of a MAP product will violate the MAP Policy. Additionally, Wilshire may, at its sole discretion, temporarily adjust the MAP multiplier for all resellers for short periods of time. All resellers will be notified of temporary MAP adjustments at least 1 week in advance.

If an advertisement does not comply with the MAP Policy, the following steps will take place:

1. In the case of a first MAP violation by a reseller, Wilshire shall issue a written warning and reseller shall rectify violation within time period prescribed in the warning else a second MAP violation shall be deemed to have occurred.
2. In the case of a second MAP violation within a 24 month period Wilshire will cease supplying to such reseller for a period of 30 -- 90 days.
3. In the case of a third MAP violation within a 24 month period Wilshire will cease supplying to such reseller for a period of not less than 90 days.
4. In addition, during any supply disruption period the violating reseller will cease to be an authorized license under Wilshire’s Website Terms of Use to use Wilshire photography, technical specifications, literature/copy and other creative assets, for the period of the suspension.
5. In the case of a MAP violation by a reseller who purchases from a Wilshire reseller, Wilshire will cease supplying to such reseller for a minimum period of 30 days and up to 90 days in which the MAP violation occurred.
6. In the case of repeated MAP violations, Wilshire will terminate the reseller’s ability to sell the product family in which the MAP violation occurred. Wilshire will unilaterally make all determinations in relation to a violation of the MAP Policy, at its sole discretion. There will be no threats, discussions or appeals. All accounts will be notified in writing of a violation. There are no other exceptions to the MAP Policy at this time.

It is the reseller’s responsibility to adhere to current MAP Policy and keep updated on the most current price lists. Using an outdated MAP price list will violate the MAP Policy if the price offered is less than the current MAP price. If the reseller’s employee or media supplier makes a mistake that result in a violation, it is the reseller’s responsibility to monitor its own advertising compliance.

Wilshire may, at its sole discretion, review ads on a case-by-case basis to determine whether any mitigating circumstances (e.g., printer error) caused an unintentional violation. Wilshire will take the appropriate action(s) necessary according to its findings. Because of the importance of making a unilateral decision, Wilshire representatives will not communicate with a reseller regarding errors. Wilshire will determine at its sole discretion whether a violating advertisement should be excused as an error. If only one retail location/web property of a reseller violates the MAP Policy, Wilshire will solely determine if an advertisement placed by one retail location or outlet violates the MAP Policy and sanctions will be applied to the entire chain or additional locations (e.g. regional). The reseller may not appeal Wilshire's decision regarding a violation. Wilshire must maintain a wholly unilateral policy and therefore cannot entertain appeals. That is the main reason no employee of Wilshire is authorized to discuss such matters with any reseller except the MAP administrator who can review each case to make a final determination.

Wilshire assumes sole responsibility for enforcing the MAP Policy, and does not solicit or seek from other resellers any information about a reseller's compliance or noncompliance. Wilshire's sales representatives are not authorized to accept information from one reseller relating to an alleged violation by another reseller. In the event a reseller submits such information in writing to Wilshire, Wilshire will not discuss the alleged violation with that reseller or otherwise report to that reseller any action taken or not taken as a result of its report. Wilshire sales representatives will not play a role in administering the MAP Policy.

No Wilshire representative or Wilshire employee is authorized to confirm compliance with the MAP Policy. The reseller is solely responsible for its compliance with the MAP Policy. Any statements to the contrary by any Wilshire sales representative or Wilshire employee are expressly unauthorized and disclaimed by Wilshire. If Wilshire employees are found to be improperly discussing any aspect of the MAP Policy with a reseller or otherwise acting beyond their scope of authority with regard to the MAP Policy, the Wilshire employees will be subject to discipline, which could include dismissal. Wilshire employees may only provide resellers with copies of the MAP Policy when they are authorized to do so. This policy can only be sent to approved resellers along with questions and answer documents that may be included as necessary for clarification. No other discussion or actions by them are permitted. If a reseller insists on discussing or negotiating some aspect of the MAP Policy despite the restrictions, Wilshire may view such activities as a violation of the MAP Policy and may take the same action as could be taken for such a violation. If a reseller violates the MAP Policy, Wilshire will provide written notification of the violation to the reseller. There will be no warnings, threats or appeals. Wilshire reserves the right to modify this Policy from time to time without advance notice.

Please remember: Wilshire employees are not authorized or permitted to discuss

or answer questions about the MAP policy or its implementation. If you have any question regarding this policy, direct them only to the Wilshire MAP administrator at MAPadmin@wilshiremfg.com. Please make any inquiries in writing only.