

**Scotsman’s Minimum Advertised Price Policy**  
**For All SCOTSMAN® Residential Products**

Scotsman Ice Systems (“Scotsman”) is proud to offer its line of SCOTSMAN® Residential Products, bringing the exceptional quality and top-of-the-line performance for which the Scotsman brand is known to residential applications through Scotsman’s authorized residential products Distributors (“Distributors”) and consumer appliance Dealers (“Dealers”). Scotsman’s line of Residential Products (referred to in this Policy as simply the “Scotsman Products”) consists of its Brilliance® Under-Counter Ice Machines, its DC33 Under-Counter Ice Machines, and accessories for each of these products.

Effective marketing and sale of the Scotsman Products and maintenance of the premium quality and image with which they are associated requires a dedicated network of Distributors and Dealers willing to invest in a sales force knowledgeable about the Scotsman Products, product showrooms and displays in which consumers can physically inspect the Products, local advertising and promotional activities, an inventory that ensures the type and model of Scotsman Product that the consumer wants is available for immediate delivery, and customer service that provides consumers with prompt and knowledgeable service if they need assistance after purchasing the Product.

Scotsman believes it is in its best interest to adopt this Minimum Advertised Price (“MAP”) Policy, as part of its Residential Products Authorized Dealer Policy. When Scotsman Products are advertised at discounted prices, it discourages other Dealers from making the investments that Scotsman believes are necessary for the Scotsman Products to compete effectively over the long term against products made by Scotsman competitors. Advertising the Scotsman Products at discounted prices also may diminish their image and cause them to be perceived as commodity-like items. The MAP and Authorized Dealer policies are aimed at furthering sales of the Scotsman Products and preserving their reputation as premium, high value products in the residential appliance channel.

**Minimum Advertised Prices for Scotsman Products**

Effective January 1, 2017, a Scotsman Product may not be advertised at a price that is below the minimum advertised price that Scotsman has established for the Product. The minimum advertised price for a Scotsman Product is listed by model number on the last page of this policy. This Policy applies to *all* categories of resellers. *If any Dealer or other reseller advertises a Scotsman Product below the applicable minimum advertised price or is not an Authorized Residential Dealer, Scotsman will impose the sanctions described in this MAP Policy and Authorized Dealer Policy against the offending Dealer and authorized Scotsman Distributor to which Scotsman originally sold the Scotsman Product, without regard to whether the Dealer or other reseller advertising below the minimum advertised price obtained the Scotsman Product directly from the authorized Scotsman Distributor or from another Dealer or some other source.*

### **Policy Does Not Apply to Actual Sales Prices**

This MAP Policy does not apply to the price at which resellers actually sell Scotsman Products. Resellers are free to sell Scotsman Products at whatever price they choose.

### **Types of Advertising Covered by Policy**

Any communication of product and pricing information to a potential customer other than through one-on-one, non-automated communication is considered “advertising” under this Policy unless expressly excluded below. The following are examples of advertising that are covered by the Policy and that may not directly or indirectly communicate that Scotsman Products are available for purchase below the minimum advertised price:

- Information displayed on or made available through an Internet website except as expressly excluded from this Policy below.
- Any other Internet advertising such as pop-up, pop-under, banner, boxed, floating, sponsored, search result page, in-stream, interstitial, shopping or price comparison site, on-site sponsorship, content network, third-party site, and social network advertisements.
- Dealers are prohibited from advertising prices on third party web sites for Scotsman Residential Products.
- Print advertising such as newspapers, magazines, and print inserts.
- Broadcast advertising such as radio, television and internet.
- Direct advertising such as direct mail pieces, catalogs, flyers and newsletters, whether mailed, hand-delivered, or shipped with products.
- Electronic mail (e-mail), fax and text message advertising, such as blast, broadcast or group e-mails, faxes or text messages.
- Promotional coupons, whether distributed through print advertising, direct mail or the Internet.
- Any other practice that directly or indirectly communicates to a group of potential customers that Scotsman Products are available for purchase below the minimum advertised price, unless the practice is expressly excluded from this Policy below.

This Policy does not apply to:

- Displaying the price once the customer has placed the Scotsman Product in a website “shopping cart” or similar checkout feature, as long as the customer placed the Scotsman Product in the shopping cart or checkout feature by selecting “Order,” “Add to Cart” or a similar directive and the website does not state or imply that a price that is lower than a

price displayed elsewhere on the website is available by placing the product in the shopping cart or using the checkout feature.

- Displaying the price on a portion of a website that may be accessed only after the customer has entered an individualized, log-in password that the customer obtained by supplying his or her name and e-mail address, as long as the website does not state or imply that a price that is lower than a price displayed elsewhere on the website is available by logging into the password-protected area of the site.
- Advertising that a purchaser may contact the reseller by telephone or e-mail for a price, as long as the advertising does not include a price for the Scotsman Products.
- An e-mail response to a specific request for a price quotation by an individual customer, as long as the response is not automated and is communicated on a person-to-person basis.
- In-store advertising that is displayed only in a reseller's physical store or physical store windows.
- Advertising "floor models" or "used," "refurbished" or "damaged" Scotsman Products below the minimum advertised price, as long as the advertisement clearly states that the Scotsman Product being offered at that price falls into one of these categories.
- Advertising that offers free shipping on the reseller's sale of the Scotsman Product.
- Advertising that the reseller will meet or beat any competitor's price.
- Direct mail or e-mail sent only to a reseller's employees as part of a program by which its employees may purchase products on a discounted basis solely for their own personal use.
- Price lists and other pricing information that Scotsman's authorized Distributors send by direct mail or e-mail or deliver in person to their Dealer customers to communicate the wholesale price at which the Scotsman Distributor will sell Scotsman Products to Dealers.

**No Express or Implied References to MAP or "Minimum Advertised Price" in Advertising**

No advertisement may use the terms "minimum advertised price" or "MAP" in connection with the Scotsman Products, or refer to the existence of a policy that prevents the reseller from advertising a lower price for the Scotsman Products.

### **Other Practices that Violate Policy**

The following practices also violate this Policy:

- Displaying prices in advertising with any strike-through or similar alteration of the minimum advertised price.
- Advertising that displays a price for a Scotsman Product and states or implies that a customer may call, e-mail, enter a password-protected portion of a website, or place the Scotsman Product in a website “shopping cart” to receive a different price than the price displayed in the advertisement.
- Advertising that the reseller’s prices are “too low to advertise” or other similar wording.
- Advertising that refers to rebates, savings, discounts, or dollar or percentages reductions in the reseller’s price, if the rebate, savings, discount, or reduction would result in a sale below the minimum advertised price. Generic coupons that cover all items in a reseller’s store do not violate this Policy as long as the coupon is not included or referred to in an advertisement that features Scotsman Products.
  - In order to advertise Scotsman Residential Products the local authorized Scotsman Distributor will communicate the “Authorized Dealer Policy” to Dealers in their marketing area. Before a Dealer will be considered an Authorized Dealer 1) it must agree to the terms of the policy and sign the document; 2) the local authorized Scotsman Distributor must co-sign the document, and 3); Scotsman Ice Systems must acknowledge and countersign the document; and 4) the document must be on file at Scotsman.

### **Advertising Prices of Combinations of Products**

The advertised price of any combination or “bundle” of Scotsman Products must be at or above the cumulative minimum advertised prices of the Products. If one or more Scotsman Products are combined or bundled with other product(s), the advertised price of the combined or bundled price must be at or above the minimum advertised price of the Scotsman Product(s), plus the price(s) at which the other product(s) are sold separately by the reseller. No advertisement may state or imply that a Scotsman Product is free. Advertising must not combine or bundle products to circumvent the intent of this Policy.

### **Other Policy Terms**

Scotsman reserves the right to change its minimum advertised prices, add or remove Products from the Policy, and modify or terminate the Policy at any time. Scotsman also may exempt some or all Scotsman Products from this Policy from time to time for special promotions or model closeout purposes by sending notices to its authorized Distributors.

Authorized Scotsman Distributors are responsible for communicating the minimum advertised prices and the Authorized Dealer requirements of Scotsman Products, the terms of this Policy and any future modifications to their Dealer customers and others who may resell Scotsman Products that Scotsman supplied to the authorized Distributor.

Scotsman will not pre-review or pre-approve advertisements with resellers for MAP Policy compliance. Each reseller is solely responsible for ensuring that its advertisements conform to the Policy.

**Actions by Scotsman for Policy Violations**

Scotsman will monitor compliance with this Policy and, if it determines that a reseller has advertised a Scotsman Product below the applicable minimum advertised price, Scotsman will notify the authorized Scotsman Distributor to which Scotsman originally sold the Scotsman Product of the reseller's violation. If Scotsman determines that a violation was not accidental or unintended, it will take the following actions against the Scotsman Distributor and Dealer:

If a MAP violation occurs, and Scotsman is not be able to identify and confirm the Distributor source of the product in question then Scotsman must purchase a unit from the violating Dealer or other reseller to confirm the identity of the authorized Scotsman Distributor. Should this action be required, the Distributor identified as the source of the Product will be responsible for all costs associated with the purchase of that unit.

The Dealer penalties for violation of Scotsman MAP policy are the same as violating any of the other responsibilities of an authorized Scotsman Dealer Policy as stated below;

First Violation: Written notice of violation to Scotsman Distributor and Dealer.

Second Violation Thirty (30) day suspension of Dealer as Authorized. (Cannot take advantage of any benefits of being Authorized.) Written notice of violation to Distributor and Dealer.

Third Violation Thirty (90) day suspension of Dealer as Authorized. (Cannot take advantage of any benefits of being Authorized.) Written notice of violation to Distributor and Dealer.

Fourth Violation: Removal of violating Dealer as authorized Dealer.

The number of violations will be counted cumulatively for each reseller that violates this Policy and determined based upon a rolling twelve-month period. Any advertising by a reseller that violates this Policy and continues to be available on an Internet website or otherwise published for more than 72 hours after Scotsman has notified the Scotsman Distributor and Dealer of the violation will count as a new and separate violation by that reseller.

**Scotsman MAP Policy Administrator**

This Policy is managed by the Scotsman MAP Policy Administrator. The Administrator is the only person authorized to communicate MAP Policy decisions on Scotsman's behalf. Any questions about this Policy should be directed only to the Scotsman MAP Policy Administrator at: [mapadmin@scotsman-ice.com](mailto:mapadmin@scotsman-ice.com)

Dated: January 1, 2017