

# BALDWIN

May 2, 2022

Dear Baldwin Hardware Partner,

At Spectrum Brands, Inc., the maker of Baldwin® hardware brand products (“Baldwin”), we are committed to you—our customers (collectively, “Sellers”) that have helped our Baldwin hardware brand become one of the most respected and trustworthy providers of modern luxury, quality door hardware products.

As part of our continuing efforts to protect and strengthen the Baldwin hardware brand, and encourage Sellers to invest in the Baldwin product lines and provide the best possible service and support to end user customers, we are implementing the attached unilateral United States Minimum Advertised Price Policy (“MAP Policy”). The MAP Policy applies to all authorized Sellers offering for sale and selling Baldwin products to end user customers in the United States of America and will be effective on July 1, 2022.

**Please promptly review the MAP Policy (including the accompanying MAP Schedule) and MAP Policy FAQs (the “Baldwin MAP Packet”) in anticipation of the July 1, 2022 effective date.**

***To the extent you are a wholesaler partner of Baldwin, please forward this letter and the Baldwin MAP Packet to each of your reseller customers as soon as possible.***

***Our hope is that by providing this advance notice, all customers will have received the MAP Packet and had ample time to review the MAP Policy terms prior to the July 1, 2022 effective date.***

Any questions regarding the MAP Policy that are not answered in the MAP Policy FAQs should be submitted in writing and directed to Baldwin’s MAP Policy Administrator at [baldwin.mapp@spectrumhhi.com](mailto:baldwin.mapp@spectrumhhi.com).

We thank you in advance for your cooperation and assistance and for your continued support of Spectrum Brands, Inc. and our Baldwin hardware brand.

Sincerely,

Spectrum Brands, Inc.

# BALDWIN®

## BALDWIN HARDWARE UNITED STATES MINIMUM ADVERTISED PRICE POLICY Effective: July 1, 2022

### 1. Purpose

Spectrum Brands, Inc., ("Spectrum") for its Baldwin® hardware brand products ("Baldwin"), has determined that certain advertising practices undermine Baldwin's trade reputation, high-quality brand, and premium image within the target consumer population and discourage Baldwin's sellers from investing in the Baldwin product lines and providing the best possible shopping experience, service, and support to end user customers. To protect the integrity of the Baldwin brand, Baldwin has unilaterally adopted this Minimum Advertised Price Policy (the "Policy"), which applies to all authorized wholesalers, dealers, resellers, and retailers (collectively, "Sellers") of Baldwin products offering for sale and selling Baldwin products to end user customers in the United States of America. Baldwin believes that this Policy will not only encourage Sellers to promote and invest in properly positioning its products, but will also help in establishing the long-term value of the Baldwin brand in customers' minds. This Policy supersedes all prior Baldwin policies or representations regarding minimum advertised prices or resale prices for certain Baldwin Covered Products (as defined below) applicable to any Seller.

### 2. Products Subject to MAP Policy

This Policy applies to advertisements of certain Baldwin products listed on the Baldwin Hardware Minimum Advertised Price List ("Covered Products") available [here](#) (the "Baldwin MAP Schedule"). The Baldwin MAP Schedule will be made available to all Sellers and may be amended by Baldwin in its sole discretion at any time.

### 3. The Minimum Advertised Price

The "minimum advertised price" ("MAP") is the lowest price at which the Covered Product may be advertised. Baldwin is solely responsible for establishing the MAP for each Covered Product and communicating the MAP to all Sellers. **While Sellers remain free to advertise and sell all Baldwin products at any price they deem appropriate, it is a violation of this Policy for a Seller to advertise any Covered Product at a price lower than the MAP.** This Policy does not establish maximum advertised prices.

### 4. Advertising and Advertisements

For purposes of this Policy, the terms "advertising" and "advertisements" include all promotional or pricing information of Covered Products displayed via any type of media, including, but not limited to:

- newspapers
- catalogs
- magazines
- flyers
- brochures
- television
- radio ads
- billboards
- outdoor signage
- mailers
- inserts
- posters
- websites
- blogs
- social media
- affiliate marketing networks/comparison shopping engines
- seller-initiated text messages or emails to customers or prospective customers
- product listing ads
- mobile/smart phone applications
- banner ads
- online product ads
- paid search ads
- pay-per-click ads
- display ads
- mobile ads
- sponsored links
- shopping cart prior to Final Checkout Stage
- ads in any other media in a digital format that is communicated or conveyed via the Internet
- any other marketing or promotional materials, whether displayed online, through broadcast, or other media

The terms “advertising” and “advertisements” do not include:

- Signage displayed within a brick-and-mortar (*i.e.*, physical store) selling location; and
- Pricing information displayed at the Final Online Checkout Stage (which is the stage of a transaction when the Covered Product is put into a shopping cart that contains the customer’s name, shipping address, email address, and payment information). Please note that pricing information in the “shopping cart” or the Final Online Checkout Stage must be obscured technically so that it is not retrievable by shopping and pricing engines and not displayed on search page results within the Seller’s own website.

## **5. Policy Violations**

Advertisements that violate this Policy include, but are not limited to:

- A. Offering coupons, discounts, rebates, or other inducements that, when applied, result in an advertised price lower than the MAP, including through use of a storewide sale, a department-wide sale, category-wide sale, website-wide sale, promotional code, or other similar provision that can be applied to the Covered Products, regardless of whether login to the end user customer’s account with Seller is required;
- B. Bundling Covered Products with other products or services (whether made by or provided by Spectrum or another entity) in a manner that implies below-MAP pricing for the bundled Covered Product(s);
- C. Creating multipacks using Covered Products in a manner that implies below-MAP pricing for the individual Covered Product used in the multipack;
- D. Strikeouts or strikethroughs of advertised pricing information, “see price in cart,” or other statements that suggest a lower price for a Covered Product may be found at the Final Online Checkout Stage;
- E. Permitting any third party to alter the advertised price for any Covered Product; and
- F. Direct or indirect attempts to circumvent this Policy.

It is not a violation to advertise the following, notwithstanding the prior prohibitions in Section 5:

- G. Customer-Initiated Solicitations for Price: That a customer may “call for price,” “text for price,” or “email for price,” as long as no price is listed and no automated call, text message, or “bounce-back” email is used in response.
- H. Free/Reduced Price Shipping: A free or reduced-price shipping advertisement as long as such offer applies to all or almost all other products offered by the Seller in the same product category.
- I. Manufacturer’s Coupon or Rebate: The advertisement of the availability of a manufacturer’s rebate or coupon that can be applied to the Covered Product, provided that (1) the advertisement includes the amount of the manufacturer’s rebate or coupon, (2) the terms related to the application of the manufacturer’s coupon or rebate are generally in the same font, style, and size used to advertise the prices of other products, and (3) the advertisement does not calculate the application of the manufacturer’s rebate or coupon to the advertised price for the Covered Product.
- J. Non-Instantaneous Loyalty Rebate: Consumer loyalty programs that reward purchasers with a rebate, so long as the rebate does not occur during the sale process, such as an instant rebate.

## **6. This Policy Is Not an Agreement and Is Non-Negotiable**

**This Policy is not an agreement between Baldwin and any other entity.** We do not seek and will not accept any promise of compliance with this Policy from any Seller or other party, and each Seller must independently choose whether to comply with this Policy. **This Policy is not negotiable and will not be altered for any individual Seller.**

## **7. MAP Holidays**

From time to time, Baldwin may announce MAP holidays or promotions that are applicable to all Sellers, during which periods a Seller that advertises a Covered Product in accordance with the terms of the authorized promotion will not be deemed to have violated this Policy.

## **8. Noncompliance**

We will take the following actions against any Seller that does not comply with this Policy:

- First Violation:** Written warning.
- Second Violation:** Written warning and a 30-day shipping hold. Baldwin will notify the Seller in writing of such failure and will immediately place the Seller's account for the Estate and Reserve product portfolios on a shipping hold/Do-Not-Sell List for thirty (30) days. Baldwin or its Authorized Wholesalers will not accept any new orders for the Estate and Reserve product portfolios from the Seller during this 30-day period.
- Third Violation:** Written warning and a 90-day shipping hold. Baldwin will notify the Seller in writing of such failure and will immediately place the Seller's account for the Estate and Reserve product portfolios on a shipping hold/Do-Not-Sell List for ninety (90) days. Baldwin or its Authorized Wholesalers will not accept any new orders for the Estate and Reserve product portfolios from the Seller during this 90-day period.
- Fourth Violation:** Baldwin will terminate its business relationship with the Seller for the Estate and Reserve product portfolios and place the Seller on the Do-Not-Sell List, as applicable. Baldwin or its Authorized Wholesalers will not accept any new orders for the Estate and Reserve product portfolios from the Seller.

We will enforce this Policy in our sole discretion and without notice. Sellers have no right to enforce this Policy.

## **9. Policy Administration**

We may update, revise, suspend, terminate, reinstitute, or modify this Policy at any time in its sole discretion. Baldwin shall make any such modifications available to all authorized sellers. Please note that our employees or agents cannot modify, interpret, or grant any exceptions to this Policy; cannot solicit or obtain the agreement of any person or entity to comply with this Policy; and cannot otherwise discuss any aspect of this Policy with any Seller, including any Seller's compliance with the terms.

Any questions about this Policy should be sent in writing to our MAP Policy Administrator at [baldwin.mapp@spectrumhhi.com](mailto:baldwin.mapp@spectrumhhi.com). We will not accept any other form of communication from Sellers regarding this Policy.

# BALDWIN®

## Baldwin Hardware MAP Policy Frequently Asked Questions

These MAP Policy Frequently Asked Questions (“FAQs”) are intended to provide you with additional information pertaining to the Baldwin Hardware United States Minimum Advertised Price Policy (“MAP Policy”) issued by Spectrum Brands, Inc. for its Baldwin® hardware brand products (“Baldwin”). Should you have a question that is not addressed here, or need further clarification on the MAP Policy, please contact our MAP Policy Administrator at [baldwin.mapp@spectrumhhi.com](mailto:baldwin.mapp@spectrumhhi.com). Please note that Baldwin sales representatives and other Baldwin employees are not authorized to discuss the MAP Policy beyond what is written here and will direct you to contact the Baldwin Hardware MAP Policy Administrator.

### **Q1. Why is Baldwin implementing a MAP Policy?**

Baldwin is implementing the MAP Policy to protect the long-term value, integrity, and positioning of the Baldwin brand and to ensure that customer expectations of quality are maintained.

### **Q2. To whom does the MAP Policy apply?**

The MAP Policy applies to all authorized wholesalers, dealers, resellers, and retailers (collectively, “Sellers”) offering for sale and selling Baldwin products to end user customers in the United States of America.

### **Q3. To what Baldwin products does the MAP Policy apply?**

The MAP Policy applies to advertisements of the Baldwin products listed on the Baldwin Hardware Minimum Advertised Price List (“Covered Products”) available [here](#) (“MAP Schedule”). Any modifications to the MAP Schedule will be made available to all Sellers.

### **Q4. What types of advertisements are subject to the MAP Policy?**

The MAP Policy applies to all promotional or pricing information of Covered Products that is displayed via any type of media including, but not limited to, those bulleted under Section 4 of the MAP Policy.

### **Q5. What types of advertisements are *not* subject to the MAP Policy?**

The MAP Policy does not apply to advertisements of Covered Products displayed within a Seller’s brick-and-mortar location (e.g., stickers, shelf tags, and other in-store displays inside the physical stores), nor does it apply to pricing information displayed at the [Final Online Checkout Stage](#) (the stage of a transaction when the Covered Product is put into a shopping cart that contains the customer’s name, shipping address, email address, and payment information).

### **Q6. How frequently will the MAP Policy be updated?**

Currently, there are no plans to update the MAP Policy at specified periods of time. However, Baldwin reserves the right to modify the MAP Policy at any time in its sole discretion. Sellers are responsible for remaining current with the MAP Policy and MAP Schedule, and any changes shall take effect upon the effective date announced by Baldwin.

### **Q7. How does the MAP Policy affect my actual retail price?**

The MAP Policy does not affect your actual retail price. Sellers are free to charge whatever price they wish.

### **Q8. Can I advertise Baldwin products for more than the MAP?**

Yes. The MAP Policy does not establish maximum advertised pricing. Sellers are free to advertise a Covered Product at any price they wish that is above the Covered Product’s MAP without violating the MAP Policy.

**Q9. What if a customer calls my store and asks for the price of a Covered Product? What can I tell them?**

When a prospective purchaser initiates communications with a Seller about the price for a Covered Product, such communications are not subject to the MAP Policy provided that the Seller is not using automated responses. For example, if a prospective purchaser calls a store and asks for the price of a Covered Product, the Seller is free to provide them with the actual sales price without such conduct constituting a violation of the MAP Policy.

**Q10. What are the consequences if I violate the MAP Policy?**

The actions that Baldwin will take against non-compliant Sellers is specifically set forth in Section 8 of the MAP Policy.

**Q11. Will a discontinuation of product shipments apply to *all* Baldwin products?**

No. In the event of a MAP Policy violation that leads to a shipping hold or a loss of access to products, Baldwin will stop shipment of, or restrict access to, the Estate and Reserve product portfolios only. Baldwin's shipments of other products (e.g., Prestige Series product portfolio) will not be affected.

**Q12. How will I be notified of a failure to comply with the MAP Policy?**

You will receive a written communication, likely via email.

**Q13. Can I appeal Baldwin's decision regarding a MAP Policy violation?**

No. Baldwin's enforcement decisions are not negotiable and not appealable.

**Q14. What if my violation was unintentional or due to a misunderstanding of the MAP Policy?**

Sellers are responsible for the accuracy of their advertised pricing for Covered Products and for understanding and complying with the MAP Policy. Baldwin will determine in its sole discretion whether a violation has occurred. Baldwin will not accept any communication from a Seller who has violated the MAP Policy regarding the violation or the willingness of the Seller to bring its advertised pricing into compliance with the MAP Policy.

**Q15. Can I sell Covered Products at any price that I want?**

Yes. The MAP Policy only covers *advertisements* of Covered Products.

**Q16. Can I get an exception to the MAP Policy for a certain period of time, like the holiday season or to clear out older inventory?**

Baldwin does not grant exceptions to the MAP Policy for any individual Seller but may, in its sole discretion, temporarily suspend or modify the MAP Policy from time to time to allow for lower advertised pricing by all Sellers for the Covered Products. Baldwin will notify all Sellers before any such promotional period goes into effect.

**Q17. Who do I notify that I received the MAP Policy and that I agree to follow it?**

Baldwin's MAP Policy is unilateral and Baldwin does not want (and will not accept) any assurances that you plan to comply with the Policy. Each Seller must independently decide whether to comply with the MAP Policy.

**Q18. When is the MAP Policy effective?**

The MAP Policy is effective as of July 1, 2022 and supersedes all prior Baldwin policies or representations regarding minimum advertised prices or resale prices applicable to any Seller.