

## Grandstream's Minimum Advertised Price (MAP) Policy

- I. Grandstream values its strong relationships with its Certified Partners, resellers and service providers (collectively, "Authorized Sellers"). It has unilaterally adopted this Minimum Advertised Price Policy ("MAP Policy") to: (a) ensure and continue the premium positioning of Grandstream Products and the Grandstream brand; and (b) support and protect the investment of Grandstream channel partners and prevent margin erosion.
- II. This MAP Policy applies to all products ("Grandstream Products") sold by Grandstream directly or through its Certified Partners. Authorized Sellers may sell Grandstream Products at any price at their sole discretion. This MAP policy applies only to advertised prices and does not apply to the price at which Grandstream Products are actually sold.
- III. For each Grandstream Product, the Minimum Advertised Price ("MAP Price") is to be established solely by Grandstream and is available via its Certified Partners. The MAP Price is the lowest retail price identified in a price sheet provided by Grandstream that may be advertised for sale of a single unit exclusive of any Value Added Taxes (VAT) or other taxes. MAP also pertains to bundle pricing of multiple units of the same product model. Grandstream Products may not be advertised below the MAP Price.
- IV. This MAP Policy applies to all advertisements of Grandstream Products in any and all media including, but not limited to: websites, flyers, third-party websites (including, without limitation, Amazon.com and eBay), posters, mailers, coupons, inserts, catalogs, mail-order, search engine advertising, social media, web stores and other print, mobile and electronic media, such as e-mail newsletters, and pricing and ads in mobile applications or sent via text message, and e-mail solicitations.
- V. Website features such as "click for price", automated "bounce-back" pricing e-mails, pre-formatted e-mail responses, forms, and automatic price display for any items prior to being placed in a customer's shopping cart, and other similar features are considered to be communications initiated by the Authorized Seller (rather than by the customer) and thereby constitute "advertising" under this MAP Policy.
- VI. However, once the pricing is associated with the end customer's intent to purchase, the price becomes the selling price and is not bound by this MAP Policy. Pricing is deemed to be associated with the intent to purchase when the product is placed in the customer's "virtual shopping cart" and the customer has elected to "proceed to check out." For example, this MAP Policy does not apply to the actual "check-out" sales purchase price of a retailer's website, product purchase confirmation pages or to prices provided in response to e-mail or telephone inquiries from customers. This MAP Policy does apply to all other page(s) or "pop-ups" on a website that direct or imply discounts, or further discounts, at the "check-out" page prior to final sale. Authorized Sellers may not advertise single units below the MAP Price through "add to cart for lowest price," "too low to advertise," "call for pricing," or any other similar forms of advertisements meant to circumvent this MAP Policy.
- VII. Failure to abide by this MAP Policy will result in sanctions unilaterally imposed by Grandstream either directly or through its Certified Partners. The level of sanctions will be determined by Grandstream in its sole discretion and may include (a) giving the Authorized Seller the opportunity to correct the violation; (b) cancelling any pending purchase orders; (c) revoking authorization to sell Grandstream Products for a specific

period of time; and (d) ceasing any and all business with the Authorized Seller. Grandstream does not intend to do business with Authorized Sellers who degrade the image of Grandstream and its products. Grandstream or its Certified Partners need not provide prior notice or issue warnings before taking any action under this MAP Policy, but any previous authorizations and agreements, verbal or written, to resell Grandstream Products will be considered null and void after appropriate written notice of ANY violation is given.

- VIII. This MAP Policy also applies to the advertisement of prices for bundled packages where the Grandstream Product is bundled with other hardware or software. The advertisement of the Grandstream Product with technical support services will not constitute a bundled package.
- IX. Grandstream establishes this MAP Policy entirely unilaterally, and may adjust, revise or discontinue the MAP Policy or the MAP Price, in its sole and absolute discretion at any time.

Thank you for your continued support and compliance. Grandstream encourages the reporting of any violation of this MAP Policy so it can be addressed as quickly as possible.

**Policy last revised: November 7, 2017**