

DIODE DYNAMICS

3870 Millstone Parkway, St. Charles MO 63301 | (314) 205-3033 | contact@diodedynamics.com

Minimum Retail Price and Advertising Policy (MRP)

In an effort to protect the long-term interests of our authorized dealers and distributors (Dealers), as well as our brands, Diode Dynamics has unilaterally adopted a Minimum Retail Price and Advertising Policy (MRP) for all products. This policy is in effect immediately, and includes a number of stipulations regarding product pricing and advertising.

It is our express intent that this policy will facilitate and maintain the economic returns earned by our dealer community for sales of our products, and enable them to dedicate sufficient resources towards educating consumers on their benefits, value, and quality, while providing superior service. It is not our intention to limit your opportunities - rather, our intention is to ensure our mutual success. This policy is effective as of March 1, 2017 and was last updated on April 11, 2022.

Diode Dynamics offers products from multiple brands, including its flagship brand, Diode Dynamics. In this document, the term “Diode branded product” will be used to specifically reference products which are branded through the flagship Diode Dynamics brand. In contrast, “Diode products” refers to all brands which are distributed by Diode Dynamics.

A. Minimum Retail Price

1. The established retail price of each product is published on the website of each respective brand, and made regularly available through product data files. Prices are subject to change.
2. No Diode Dynamics-branded product may be offered a discount of more than five cents (\$0.05) USD below the established retail price.
Other brands may not be offered at any discount below the established retail price.

B. Applications

1. The MRP is not limited to only advertised pricing, or how the product is advertised, but deals directly with the actual retail price of the item, at the time of sale. The MRP applies to the sale of products through all possible methods of transaction, including but not excluded to: internet and ecommerce, social media, electronic mail, mail ordering, and physical transactions in-store.

C. Advertising Terms

1. Dealers will not make any indication, in any form of communication, that pricing lower than MRP may be found through the use of a promotion, contest, discount code, "add to cart" feature, "email for pricing," private communication, or other means. This is misleading to the customer, and if a transaction occurs, is in violation of the MRP.
2. Discount codes or promotions may not be applied to any product, unless part of a specific promotion established by Diode Dynamics, to be equally allowed and promoted by all Dealers. Should a Dealer offer store-wide discounts or promotions, Diode products must be specifically excluded, and this exclusion must be clearly communicated to customers anywhere the discount is being promoted.
3. All advertisements must include the appropriate brand name, logo, or combination thereof, to clearly communicate the brand and source of the products being offered to customers, and ensure conformity as such to the MRP. Any effort to disguise listings, product SKUs, the source of products, or other details will be considered a violation of this policy.

4. The total price to the customer of any bundled products may not be less than the individual price of the products if purchased individually. If a bundle includes Diode products as well as other third-party products, the advertisement must clearly state that the Diode product is being sold without a discount, and the additional item is subject to any discount which may exist compared to purchasing all products individually.
5. Independent rebates or incentives including store credit are permitted, so long as they are applied independently in timeframe of the customers' purchase decision for Diode products, and are applied with a specified monetary value - not percentage discount. The rebate or store credit must incentivize the customer for all products on the store, and may not be designed to reduce the net implied sales price of the Diode product in particular.
6. Promotional activities such as product giveaways, conducted entirely at the cost of a Dealer, are permitted only if the product is being provided for free. Promotion must state the normal value of the product being included in the giveaway. Diode Dynamics reserves the right to disallow giveaways if the promotion results in a loss of perceived value of the product.

D. Exclusions

1. Diode Dynamics shall establish a number of holiday exclusion dates for each calendar year, at its discretion. For each holiday exclusion date, an exclusion period is defined as four calendar days preceding the exclusion date, to four calendar days following the exclusion date. For example, if July 4th is set as a holiday exclusion date, the entire exclusion period would be between June 29th and July 8th, for a total of nine days.
2. During holiday exclusion periods, products may be promoted, advertised, and sold with a fixed maximum percentage discount, to be announced prior to the exclusion period by Diode Dynamics.
3. Ad-hoc exclusion periods may be established by Diode Dynamics at any time. Ad-hoc exclusion periods may be limited in duration, scope, and promotion/discount at the discretion of Diode Dynamics. Specific terms and limitations will be communicated prior to the start of the period.
4. Participation in any exclusion period is at the discretion of the Dealer.
5. Wholesale distributor accounts, only after written authorization by Diode Dynamics, may sell products to their own non-retail, authorized, and private customers (jobber network), at a price of up to 20% below the established retail price. This may not be combined with any other discount for exclusion periods.

E. Third Party Marketplaces (eBay, Amazon)

1. Dealers must have full control over their respective sales channel, to ensure the maintenance of customer experience and high brand value for both Dealers and Diode Dynamics itself. No distribution is permitted via third-party marketplaces such as eBay, Amazon, or others, except with written, express consent by Diode Dynamics, on a case-by-case basis. In no circumstance is any distribution permitted via Amazon Prime. Diode Dynamics maintains the sole right to directly distribute its products via these channels as it sees fit.

F. Auctions and Sales of Old Product

1. No products, including products of any condition or age, may be offered for sale via an auction process by a Dealer on any internet website or physical auction.
2. Diode Dynamics products of inferior quality, such as used, old, or damaged products, may not be offered for sale by any Dealer. Dealers should contact Diode Dynamics to resolve concerns of old, damaged, or otherwise unsellable stock, and Diode Dynamics will attempt to buy back products of usable condition at a fair market value.

3. Diode Dynamics maintains the sole right to certify and directly sell products as "Manufacturer Refurbished." Dealers may not refurbish products to offer them for sale. Any available Manufacturer Refurbished products may be resold by Dealers according to this policy, with accompanying MRP price.

G. Monitoring and Reporting

1. Diode Dynamics may engage in monitoring of advertised prices of product sales in all channels, either directly or via the use of third parties. Diode Dynamics encourages the reporting of any action which is suspected in violation of this policy.

H. Unilateral Enforcement

1. Any violation of this policy, by any Dealer, will be managed unilaterally and equally. For each violation, a written warning will be issued. The violating pricing, sales, or advertising material must be removed, terminated, or otherwise resolved within three business days of notification. The violating party shall confirm in writing that the violation no longer exists.
2. In the case of continued violation of policies, or at any time in its own discretion, Diode Dynamics reserves the right to discontinue the sale of products, and disallow the use of intellectual property, terminating the right of product resale for any Dealer.
3. In the case of repeated or willful violation of policies, Diode Dynamics retains the right to pursue all legal actions available in order to recoup any and all damages and losses, including losses to brand equity and revenue.
4. Wholesale distributors are expected to educate their private customers on this MRP policy, and work diligently to avoid violations of this policy among their network of customers, who may resell product only at full retail price. All terms of this policy apply to the private customers of wholesale distributors, and policy violations by a private customer of an Authorized Dealer will be considered and handled as a violation by the Authorized Dealer. Diode Dynamics reserves the right to restrict sale of Diode Dynamics to private customers of wholesale distributor accounts, based on violation of any of the terms of this policy.

I. Acceptance and Additional Terms

1. Diode Dynamics will not discuss any conditions of acceptance related to this policy, as it is non-negotiable and will not be altered for any Dealer. Diode Dynamics employees are not permitted to offer any exception to this policy. In addition, Diode Dynamics neither solicits, nor will it accept, any assurance of compliance or enforcement of this policy.
2. Diode Dynamics reserves the right at any time and for any reason to modify this policy, to establish new or different policies, or to discontinue any or all of such policies. This policy and its modifications shall remain in effect until terminated by Diode Dynamics.

I, _____, a representative of _____, confirm that I have read and understand the MRP, including restrictions on any sales discounts, and promotions outside exclusion dates. I have the authority and capability within my organization to ensure ongoing compliance.

Signed: _____

Date: _____