



POWER by DESIGN™

MAC Pricing Policy for Automotive & Motorcycle Part & Accessories

Dear MAC Valued Customer,

For over 45 years MAC Products Inc. has been building premier products and establishing itself as one of the best manufacturers of Automotive Exhaust Systems, Air Induction Systems, Automotive Accessories and Motorcycle Exhaust Systems. In order for MAC Products to effectively compete against its competitors, it is imperative that MAC's promotional and advertising message as a whole is consistent with its business and distribution plan. Discounted sales and low priced advertising, threaten the image and brand, MAC Products has established along with the standard, service and reputation of our products.

To ensure the MAC name and reputation remains high while maintaining high profit margins for resellers so that the MAC resellers can invest in more of the MAC product line, we have put in place the "MPP" (MAC Pricing Policy).

To comply with the MPP, all MAC branded products must be both advertised and sold at a price that is equal or above the MAC MPP set by MAC at all times. MAC will not sell to any reseller that sells or advertises any MAC products below the MPP set by MAC. Resellers of MAC may advertise and sell any MAC products at a price that is higher than the MPP, set by MAC at their own discretion, as this will not violate the MAC MPP. Shipping is also set by the seller, "Free Shipping" will not violate the MAC MPP, Free Shipping is at their own discretion.

The MPP is subject to all resellers of the MAC Products brand without exception, including but not limited to: Dealers, On Line Dealers, Jobbers, All Retailers and Distributors. Under the MAC MPP policy all MAC resellers are responsible for their own sales and advertising, as well as any sales and/or advertising made by those whom the reseller sells to (direct or indirect sales). Resellers are required to take all necessary steps to ensure those to whom they sell MAC branded products do not sell or advertise below the MAC MPP. Should/If an entity that is purchasing any MAC branded products from a reseller, resell or advertise those products below the MAC MPP, both the reseller and the entity will be in violation of the MAC MPP.

In addition, it is a violation of the MAC MPP for any resellers (non-direct or direct) to sell or advertise any MAC branded products in conjunction with other products at a price below the MAC MPP, this includes parts as a combination or package deal. Any and all retail sites that use "make offer", "bid", "see price in cart", call for pricing" or any similar types of options that can result in the MPP being below will be in violation of the MAC Pricing Policy.

MAC Products Inc. reserves the right to occasionally permit the sales of its products with promotions for limited time periods that might otherwise violate the MAC MPP and consider them to be exceptions to this policy. Notice of such sales opportunities will be provided to all Dealers, On Line Dealers, Jobbers, All Retailers and Distributors by MAC to ensure a continued compliance with our MPP.

MAC Products Inc. reserves the right to repurchase all of the violating MPP reseller unopened inventory, at MAC's sole discretion and at reasonable terms of our choosing, including a 20% Restocking fee.

The MAC MPP policy may be discontinued, suspended, modified and/or extended in whole or in part by MAC at any time by notice. Any such notice will describe the nature duration of any such discontinuation, suspension, modification or extension of this policy by MAC.

This MAC policy is designed and intended to enhance and protect the brand MAC, as stated above. Thank you for your business and we look forward to another great year with our Valued Customers.

**• MAC Products Inc. • 43214 Blackdeer Loop # 114 • Temecula, CA 92590 • www.macperformance.com •
• Local & Tech Support (951) 296-3077 • US 1-800-367-4486 • Fax (951) 296-3044 •**



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If MAC Products Inc. finds/determines that a Dealer, On Line Dealer, Jobber or Distributor in is in Violation of the MPP (MAC Pricing Policy), directly or indirectly, MAC will take the following actions on that reseller.

1ST MAC Pricing Policy Offence - Reseller will not be shipped or sold any MAC Parts for a time period of 15 business days. In this time period the violating seller will be removed from the MAC Performance website Authorized Dealer List. At this time the violator is also subject to have all pending orders with MAC Cancelled and no new orders will be accepted during this time. If at all during this time period more violations occur, they will be considered a 2ND Offense Violation from the time on the new violations. If the 1ST violation has been resolved and there has been no further violations during this time period (15 business days) the reseller can resume business with MAC on the 16TH day.

2ND MAC Pricing Policy Offence - Reseller will not be shipped or sold any MAC Parts for a Time Period of 30 business days. In this time period the violating seller will be removed from the MAC Performance website Authorized Dealer List. At this time the violator is also subject to have all pending orders with MAC Cancelled and no new orders will be accepted during this time. If at all during this time period more violations occur, they will be considered a 3RD Offense Violation from the time on the new violations. If the 2ND violation has been resolved and there has been no further violations during this time period (30 business days) the reseller can resume business with MAC on the 31TH day.

3RD MPP Offence - Reseller will not be shipped or sold any MAC Parts for a Time Period of 60 business days. In this time period the violating seller will be removed from the MAC Performance website Authorized Dealer List. At this time the violator is also subject to have all pending orders with MAC Cancelled and no new orders will be accepted during this time. If at all during this time period more violations occur, they will be considered a 4TH Offense Violation, a 4th Offense Violation can have you removed as a MAC Dealer altogether. If the 3RD violation has been resolved and there has been no further violations during this time period (60 business days) the reseller can resume business with MAC on the 61TH day.

4TH MPP Offence - MAC will review the Resellers account and upon review MAC will decide to keep the Resellers Account open or close the account permanently. Once reviewed and an outcome is decided this outcome will stand and will only change for a few reasons; New Purchaser, New Management or New Owner of Company. At this time MAC will Review the company info and if allowed to purchase there will be a strict probation period of which if there is any Offence the account will be closed once again.

A list of MAC resellers who are in violation of the MAC "MPP" can be made requested to assist reseller in knowing that MAC is holding all Resellers accountable for their sale prices.

If you have any Questions on the MPP please feel free to contact any MAC Rep. and they can answer your questions. As stated this policy (the MPP) is intended and designed to enhance the sales and image of MAC.