



**POWER by DESIGN™**

*March 6, 2018*

# 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 MPP is no more than MSRP minus 5%. 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).

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 # 115 • Temecula, CA 92590 • [www.macperformance.com](http://www.macperformance.com) •  
• Local & Tech Support (951) 296-3077 • US 1-800-367-4486 • Fax (951) 296-3044 •**



**POWER by DESIGN™**

**March 6, 2018**

# **MAC**

## **Pricing Policy for Automotive & Motorcycle Part & Accessories**

### **Over View:**

MAC Products Inc Minimum Pricing Policy (MPP) Program is designed to help Distributors and 3rd Party Resellers (Dealers) maintain the long term strength of MAC brand equity by insuring they are able to engage in advertising that best conveys to end users the value of MAC Products Inc Aftermarket Performance and Replacement Part(s). All MAC Distributors and eligible 3rd Party Resellers must be compliant with the MPP Program requirements. MAC takes great pride in being recognized as one of the most admired brands, not only in the Motorcycle and Automotive industries, but among all brands in the world. End users have great demand for MAC Products because they believe that MAC Products Inc, Performance parts offer unsurpassed quality and value. We believe that our MPP Program, more fully described below, will allow all of our Distributors and 3rd Party Resellers to profitably market and effectively promote the value of MAC Products Inc to the end users. Each MAC Authorized Distributor and 3rd Party Reseller is free to determine independently the price at which it elects to sell all MAC products. However, MAC has established a minimum price at which, if the Distributor or 3rd Party Reseller elects to advertise the product price, a Distributor and 3rd Party Reseller must advertise such products no lower than the MPP set by MAC. Any Distributor(s) and/or 3rd Party Reseller(s) who advertise the listed MPP Products at prices below the applicable MPP, will be in violation of the MPP Program. Please note the new MPP email address is [order@macperformance.com](mailto:order@macperformance.com). It is the responsibility of each Distributor to inform its 3rd Party Reseller/Dealer customers of the minimum price at which the MAC Products must be advertised, the other terms and conditions of this Program applicable to the 3rd Party Reseller, and any other terms and conditions the Distributor may require pursuant to its own MPP/MAP Program(s).

### **MAC Products Inc MPP Program Terms & Conditions:**

Distributors and 3rd Party Resellers must advertise all MAC Products in accordance with our MPP Program. Distributors and 3rd Party Resellers who do not advertise in accordance with the Program will be in violation of the MPP Program.

### **MPP:**

All parts manufactured by MAC Products Inc and sold to Distributors and 3<sup>rd</sup> Party Resellers are included in our MPP Program. From time to time MAC shall designate product(s) to be added to, or removed from, this MPP Program and we will issue an update to Distributors identifying the product(s) and any additional requirements and restrictions applying to them. It will be the responsibility of the Distributor to notify their 3<sup>rd</sup> Party Resellers.

### **Guidelines:**

The MPP Program will apply to all Distributor's and 3rd Party Reseller's advertisements (including all online web pages displayed prior to when the product has been added to the Resellers Shopping Cart/Final Purchasing Stage).

### **Advertisements:**

This MPP Program will apply to all Advertisements of MPP Product(s) by a Distributor and/or 3rd Party Reseller, including, without limitation, in-store, out of home, print, and online.

"Advertisements" is defined as any and all advertisements in all media including, but not limited to, inserts, newspapers, magazines, catalogs, public signage, billboards, any other print media, television, radio, e-mail, internet websites or other ecommerce, flyers, posters, coupons, brochures, any use of hypertext transfer protocol or internal links to a web based shopping cart and any other electronic media.

**• MAC Products Inc. • 43214 Blackdeer Loop # 115 • Temecula, CA 92590 • [www.macperformance.com](http://www.macperformance.com) •  
• Local & Tech Support (951) 296-3077 • US 1-800-367-4486 • Fax (951) 296-3044 •**



**POWER by DESIGN™**

**March 6, 2018**

# **MAC**

## **Pricing Policy for Automotive & Motorcycle Part & Accessories**

All advertisements of MAC MPP Product(s) must include the MAC Product Item # and, while including a price is not required, if a price is advertised, it must be at or above the MPP price stated on the MAC Products Price Sheet. At no time during this MPP Program may the Distributor or 3rd Party Reseller make any statements or other indications on its website in connection with any MPP Product(s) that indicates or implies that a lower price may be found at the online checkout stage, including, but not limited to, the following:

- “Click here for lower price”
- “See Price In Cart”
- “Log-in for price”
- “Add to Cart for Lower Price”
- “Check Cart for Lower Price”
- “Mouse over for Price”
- “Email for a better Price”
- “Call for Lower Price” or “Call for Price”
- “Make us an offer” or “Tell us your price”

The following statements will not violate this MAP Policy:

- “Call for Availability”
- “Call to Order”
- “Call for Details”
- “To see product details, add to your cart”
- “Log in to cart for more details”

MPP products may not include any promotional allowances (rebates, coupons, free premiums, reward program offerings, etc.), except for MAC Products Inc authorized promotions (manufacturer’s rebates). Resellers may advertise MPP products in bundles/kits/packages. All advertisements of bundles/kits/packages that include a MPP Product(s) must either show no price or a price at or above the MPP price for that MPP product(s). All advertisements of bundles/kits/packages that include more than one (1) MPP product must either show no price or a price at or above the combined total of the MPP prices for those MPP products. Example: “Bundle1” includes TK4605 (MPP Price \$631.95) and PC2005 (MAP price \$525.95), therefore the advertisement for “Bundle1” must either show no price or a price at or above \$1,157.90.

### ***Monitoring and Reporting:***

MAC Products Inc may monitor advertised prices of MPP Products, either directly or via the use of third parties. Third parties retained by MAC may monitor a Distributor’s and/or 3rd Party Reseller’s advertisements and website advertising including, but not limited to, review of advertised prices.

In addition, a Distributor and/or 3rd Party Reseller may, if it so chooses, submit to MAC, reports and/or screen prints of advertised prices it discovers in the marketplace that it believes are not compliant with this MPP Program. All information forwarded by Distributors and 3rd Party Resellers can be sent on the attached form or a screen print to the e-mail address specified on the form. The form will be examined and evaluated by a MAC Product Inc. MPP Review board. MAC Products Inc. will not acknowledge its receipt of or respond to any information it receives from Distributor(s) and/or 3rd Party Reseller(s) and shall independently act in its own interest in determining what, if any action, it may take with respect to the information it receives.



**POWER by DESIGN™**

# MAC

## Pricing Policy for Automotive & Motorcycle Part & Accessories

March 6, 2018

### **Reporting a MPP Violation:**

Please note our MPP email address has changed. To report a MPP violation by a reseller, please send emails to [order@macperformance.com](mailto:order@macperformance.com) with the web address (url) of the violation and a screen shot of the violation if possible. Once received and reviewed, MAC Products Inc. will handle the violation in accordance with its MPP policy.

### **Used Part(s):**

Used Part(s) can be advertised below the designated MPP so long as the Distributor and/or 3rd Party Reseller clearly and prominently discloses that the product is "used." MAC Products Inc defines a used part(s) as product obtained by the Distributor and/or 3rd Party Reseller through customer return, customer trade-in, demo units, or other means.

### **Violations & Penalties:**

Any advertisement(s) that does not comply with this MPP Program. Violations occur on a model level:

**1st Violation** by a 3rd Party Reseller: MAC Products Inc. (MAC Performance) will issue a warning letter to the Distributor(s) and 3rd Party Reseller for any violation(s) that has occurred by a 3rd Party Reseller. The 3rd Party Reseller will have five (5) business days to correct the violation. If the violation is not corrected within this period of time, a second violation will be deemed to have occurred.

**2nd Violation** by a 3rd Party Reseller: 3rd Party Reseller must be denied access to all or specific MAP Product(s) by the Distributor(s) for thirty (30) days from date of violation. The 3rd Party Reseller will have five (5) business days to correct the violation. If the violation is not corrected within this period of time, the Distributors will be notified that a third violation will be deemed to have occurred.

**3rd Violation** by a 3rd Party Reseller: 3rd Party Reseller must be denied access to all or specific MAP Product(s) by the Distributor(s) for sixty (60) days from date of violation. The 3rd Party Reseller will have five (5) business days to correct the violation. If the violation is not corrected within this period of time, the Distributors will be notified that a fourth violation will be deemed to have occurred.

**4th Violation** by a 3rd Party Reseller: The 3rd Party Reseller must be denied access to all or specific MAP Product(s) by the Distributor(s) for ninety (90) from date of violation. The date of violation will be as determined by MAC Products Inc.

**5th Violation** by a 3rd Party Reseller: 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 two (2) reasons; 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.

If MAC Products Inc modifies or replaces a MPP Product, it will advise Distributors via an update of this bulletin, in which case the penalties for any violation on the original MPP Product will continue to apply with respect to the modified or replacement MPP Product. Distributors & 3<sup>rd</sup> Party Reseller(s) can also find the newest updated MAC MPP on the front page of our website.

Each violation with respect to a MPP Product will remain on record for one (1) year following the Distributor's and/or 3rd Party Reseller's last violation for the product(s). MAC Products Inc reserves the right to change, modify or discontinue the MPP Program at any time, and no Reseller has any right to rely on the continued existence of the MPP Program or any effort by MAC Products Inc to address violations.

**• MAC Products Inc. • 43214 Blackdeer Loop # 115 • Temecula, CA 92590 • [www.macperformance.com](http://www.macperformance.com) •  
• Local & Tech Support (951) 296-3077 • US 1-800-367-4486 • Fax (951) 296-3044 •**



March 6, 2018

# MAC

## Pricing Policy for Automotive & Motorcycle Part & Accessories

### 2018 MAC Products Inc. MPP Violation Report Form

#### **About the violation:**

Violation Type?

Internet \_\_\_ Advertisement \_\_\_ Other \_\_\_\_\_

Link: \_\_\_\_\_

Advertising Vehicle: \_\_\_\_\_ Date: \_\_\_\_\_

Product (MAC Part #): \_\_\_\_\_

Model Name: \_\_\_\_\_

How was violation discovered? \_\_\_\_\_

Seller/Store Name and Location: \_\_\_\_\_

Please provide a complete description of the violation. Include details such as the URL (web address) or publication which any advertisement ran:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(OPTIONAL)

About You:

Reseller: Yes \_\_\_ No \_\_\_

Company Name: \_\_\_\_\_

Phone #: \_\_\_\_\_

Fax #: \_\_\_\_\_

Email: \_\_\_\_\_

Web Site: \_\_\_\_\_

Email address: \_\_\_\_\_

This form should only be sent to the following new e-mail address:  
orders@macperformance.com