



CARBON DRIVE®

Minimum Advertised Price (MAP) Policy

Policy Statement

Gates Corporation has unilaterally established a policy regarding the Minimum Advertised Price (MAP) of the Gates Corporation CARBON DRIVE® line of products (“Carbon Drive Products”) which are sold or distributed in the United States. Gates Corporation has invested significant resources in product innovation, development, and marketing to build and maintain its reputation for high-quality and to generate goodwill in all Gates Corporation brands. Gates Corporation believes implementation of a MAP policy is necessary for CARBON DRIVE® to maintain its reputation for high-quality products, preserve its brand image and ensure distributors and retailers provide effective marketing and technical support. This MAP policy is effective as of July 1, 2021 and supersedes all prior Gates MAP policies regarding Carbon Drive Products.

Scope

This MAP policy applies to all advertisements of Carbon Drive Products. “Advertising” under this policy means a public announcement promoting a Carbon Drive Product in any form including, without limitation, flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, mail order catalogs, internet or similar electronic media, text message, television, fax, radio and public signage. This MAP policy also applies to all Carbon Drive Products sold via any retailers’ website including, but not limited to, an original company website and/or any and all affiliate websites where retailers advertise Carbon Drive Products electronically.

The MAP is based on the **net** advertised price (i.e. net of all discounts, rebates, etc.) for all Carbon Drive Products. A list of MAP prices will be posted on the Gates CARBON DRIVE® website (www.gatescarbondrive.com) and may be updated or modified from time to time by Gates Corporation in its sole discretion. This policy does not apply to the actual price at which Carbon Drive Products are sold by any retailer, distributor, or any other reseller of Carbon Drive Products (collectively referred to as, “retailers”). A retailer is free to determine its actual retail price for Carbon Drive Products.

Policy Compliance

Any attempt to reduce the **net** advertised price below the applicable MAP for that product will be considered a violation of the MAP policy. Such attempts to advertise a net price below MAP may include but are not limited to:

- Advertising Carbon Drive Products subject to store-wide discounts that would result in a net advertised price that falls below MAP.
- Advertising Carbon Drive Products in combination with non-Gates products at a single price that would result in a net advertised price that falls below MAP.
- Advertising multiple Carbon Drive Products for a single price that is less than the combined MAP.
- Advertising that offers gift certificates or store credit in combination with Carbon Drive Products at a single price where the gift certificate or in store credit results in a net advertised price below MAP.
- Advertising Carbon Drive Products through online auctions where the minimum bid is below MAP.

Policy Violations

Gates Corporation shall determine any noncompliance of this MAP policy, in its sole discretion. Gates Corporation will not accept any communication from any retailer regarding the willingness of the retailer to bring its advertised prices into compliance with the MAP policy. In the event a retailer chooses not to comply with this MAP policy, Gates Corporation has the unilateral right to take any action it deems, in its sole direction, appropriate including, but not limited to: (a) refusing to accept orders related to any non-complying retailer for any given period of time; and/or (b) terminating the business relationship altogether or adding a non-compliant retailer to Gates' "Do Not Sell" List.

As part of the Company's monitoring of this MAP Policy, Gates Corporation and its partners may, from time to time, utilize a range of human and computer technologies to monitor the pricing and placement of Company products across the Internet. This monitoring may include, without limitation, visiting the website(s) of any retailer and/or tracking compliance with the MAP Policy by any retailer through third-parties. Any attempt by a Reseller to redirect, mask, or otherwise interfere with these monitoring efforts or any other enforcement of the MAP Policy will be considered an express violation of the MAP Policy.

Exceptions

The Gates CARBON DRIVE® MAP policy does not apply to the following (exceptions):

- Electronic mail sent directly in response to a customer inquiry.
- Internet "shopping cart" pages where a customer makes his or her final purchase selection.
- Advertisements that offer free services with purchase; free installation, adjustment or training unless the advertisement specifies a value of those services which nets a price below MAP on Carbon Drive Products.

Unilateral Nature of Policy

This MAP policy has been unilaterally developed and adopted by Gates, in its sole discretion, and will be unilaterally enforced by Gates. The business relationship between Gates and each of its retailers remains an “at will” business relationship. Gates reserves the right to terminate such business relationships without cause and at any time. Nothing in this MAP policy is intended to be a contract or agreement between Gates and any of its retailers as to the terms of this MAP policy. Gates will not enter into any discussions with any retailers on any conditions of acceptance related to this MAP policy, as it is non-negotiable, and will not be altered for any retailers. Gates does not seek, nor will it accept, any agreement or assent from its retailers respecting this MAP Policy. Gates reserves the right, at any time, to modify this policy, to establish new or different policies or to discontinue any or all such policies.

Contract Information

Gates sales personnel have no authority to modify or grant exceptions to the MAP policy or have any communications with any retailers regarding the terms or non-compliance with this MAP policy. All questions or comments regarding this MAP policy are to be directed to carbondrive@gates.com.