



**LG Electronics MobileComm USA, Inc.**  
**Minimum Advertised Price Policy (“MAP”)**  
**Effective Date: 1/1/2018**

**1. Purpose**

LG Electronics MobileComm USA, Inc. (“LGEMU ” or “LG”) has invested substantial time and money developing the competitiveness of its brand and, in particular, establishing its products in the United States market as premium products with premium consumer features and benefits. Accordingly, LGEMU, acting in its unilateral business judgment to support its marketing plan, has prepared this policy regarding the pricing for sales of its home entertainment products (the “Policy”).

**2. Policy Communications**

Any and all questions or requests for information regarding the application or interpretation of this Policy must be directed to **mp.operations@lge.com**. Please note that your sales representative and other LG employees are not authorized to discuss any aspect of this Policy with you. This Policy document is provided for information and reference only.

**3. Applicable Activity**

This Policy applies to all advertisements of covered LGEMU products (such products defined below) in any and all forms, including but not limited to TV, print, radio, internet, social, flyers and brochures.

This Policy applies to all direct accounts of LGEMU as well as any indirect or “downstream” purchaser. Recipients of this Policy are responsible for ensuring compliance with this Policy from their accounts (e.g. dealers) and affiliated companies (individually and collectively “Third Parties”). A violation of this Policy by any Third Party will be deemed a violation by recipient and will subject recipient to the recourse schedule set forth in Section 4. This Policy also applies to any on-line and offline activities.

**4. Recourse**

Advertising any product covered by this Policy (individually and collectively, “MAP Products”) below the minimum price listed in the Schedules to be issued by LGEMU from time to time (the “MAP price”) may result in LGEMU taking the following unilateral actions unless such violation is determined by LGEMU to be a mistake, error or due to causes beyond the control of retailers:

<b>Recourse</b>	
1st Violation	A formal warning letter being sent to the retailer
2nd Violation	No shipment of product for up to 30 days
3rd Violation	No shipment of product for up to 60 days
4th Violation	LG reserves the right to de-authorize the retailer for the affected product category



- A product category is defined as LGEMU mobile products, including out-of-box accessories, wireless headsets, headphones, keyboards, portable speakers, smart watches, tablets, and unlocked handsets.
- This Policy does not restrict, coerce or force a retailer to charge a particular price for any LG Product.
- Each violation will be treated as separate.

## 5. Guidelines

- Advertising Price
  - All advertising for LGEMU products must clearly state a price equal to or greater than the MAP price.
  - Netting of applicable discounts such as instant rebates or global promotions is allowed.
  - LG specified Model numbers must be shown when advertising prices or discounts for LG products.
  - Statements or implications in any advertising covered by this Policy which could indicate that a lower price may be found in-store, in the online shopping cart, at the Checkout Stage of a retailer's website, or other means of electronic commerce, is a violation of this Policy. Examples of violations include, but are not limited to, the following:
    - Price lower in-store
    - Click here for lower / better price
    - Call / email for lower price
    - Add to cart for lower price
    - Add to cart for product details
    - Product details must be available without entering the shopping cart or product check out stage
  - Statements explaining that the dealer must have more consumer information in order to expose a price because it is lower than the manufacturer allows is a violation of this Policy.
  - Any other method on a website intended for potential customers to add the product in a cart to display a price is a violation of this Policy.
  - Retailers may strike-through a price which is above or equal to the LG's Suggested Selling Price ("SSP"). Utilizing point systems that correspond to the actual currency or the selling price is a violation of this Policy.
  - Promotional codes which reflect actual currency or discount values are violations of this Policy.
- Non-price
  - Offers featuring bundles, delivery, financing and installation (individually and collectively "Services") with LGEMU products may be used; all standard Policy guidelines apply to these offers.
  - If the value of the Services is not stated within the advertising, the advertising must show a price no lower than the MAP price for the LGEMU product.
  - If the cost of the Services is stated within the advertising, the advertising must show a price no lower than the MAP price for the LGEMU product which takes into consideration (i.e. adds in) the cost of the Services. In other words, the minimum



advertised price for such bundle is the MAP price for the LGEMU product plus the cost of the Services.

- Retailers may not show any “netted price” for bundled Services.
- Storewide or category events that involve all brands in any category may reference a “percent off,” cash equivalent premium or other value offer provided that discounts are applied consistently to all eligible products; such offers may be “netted” from the MAP price.
- Discounts based on storewide or category events cannot be combined with other LGEMU-offered discounts or “value add(s).”
- If a retailer wishes to bundle an LG product subject to this Policy with another LGEMU product not subject to this Policy or with a third party product (collectively the “Other Product”) the minimum advertised price for such bundle must be the MAP price for the LGEMU product subject to this policy plus the fair market value of the Other Product.
- LGEMU in its sole reasonable discretion will determine the fair market value of such Other Product.
- LGEMU may issue factory rebate programs. Any advertisement for factory rebate must include the rebate amount and the wording a “Factory Rebate” or “Mail-In Rebate.”

LGEMU reserves the right to change or discontinue this policy unilaterally at any time, with or without prior notice