

**STANDARD MOTOR PRODUCTS, INC.**  
**UNILATERAL MINIMUM ADVERTISED PRICE POLICY**  
**(Effective as of October 1, 2019)**

Standard Motor Products, Inc. (“SMP”) has unilaterally adopted this minimum advertised price policy (“Policy”). This Policy applies to any (a) “Direct Customer” who is a person or business entity that purchases Covered Products (as defined below) directly from SMP; and (b) “Downstream Reseller” who is a person or business entity located in the United States of America that purchases Covered Products for resale from a Direct Customer. This Policy is effective as of the date first written above, and enforcement of this Policy will commence on January 1, 2020.

1.     **Purpose.**       SMP is a leading supplier of premium automotive parts and provides its customers with best-in-class parts, supported by the highest level of value-added services. SMP has dedicated significant resources to ensuring that SMP and its Covered Products develop and maintain tremendous goodwill in the marketplace. SMP understands that part of that goodwill results from the ability of its customers to market and sell Covered Products in a fair and competitive environment. In order to establish a level playing field that is fair and competitive and to safeguard SMP’s reputation and its brands, SMP has unilaterally adopted this Policy.

2.     **Scope.** This Policy applies to specific Covered Products offered for sale or sold in particular ways. Direct Customers that sell Covered Products are responsible for (a) understanding this Policy and (b) informing its Downstream Resellers that purchase Covered Products of this Policy. Any noncompliance with this Policy by a Downstream Reseller shall constitute a violation of this Policy by the Direct Customer which sold Covered Products to such Downstream Reseller. *Nothing in this Policy is intended to be, or should be construed to be, an agreement as to the prices that Covered Prices will be sold or offered for sale to an individual customer. Direct Customers and Downstream Resellers are free to establish the actual prices at which they will sell the Covered Products.*

3.     **Policy.**

(a)     **Covered Products; Minimum Advertised Price.** This Policy establishes a minimum advertising price (“MAP”) for each “Covered Product”, which refers to each SMP product specified on a schedule made available by SMP or communicated by SMP via a written or electronic notice (an “SMP Notice”) to each Direct Customer. A Direct Customer’s or Downstream Reseller’s advertised price on Covered Products shall not be lower than the MAP specified in an SMP Notice. The applicable MAP for each Covered Product is available at <http://smp.channelsync.com>

(b) **Advertising Guidelines.**

(i) This Policy applies to all types of advertising (electronic or otherwise) by a Direct Customer or Downstream Reseller and such other means of marketing as SMP may identify from time-to-time. Any advertising method that provide for or suggest a price below MAP is strictly prohibited. However, this Policy is not applicable to internet site “check-out” pages or “shopping cart” pages where the customer makes their purchase election because once the pricing is associated with the end customer’s intent to purchase, the price is deemed the “selling price” and not an advertisement covered by the Policy. For clarification, the following types of advertisements shall **not** be a violation of this Policy:

A. advertisements that a customer may “call for price” or “email for price,” or which use similar language, specifically with respect to Covered Products, so long as no price is listed;

B. advertising in general that the Direct Customer or Downstream Reseller has “the lowest prices” or will match or beat its competitors’ prices, or which uses similar phrases, so long as the Direct Customer or Downstream Reseller does not include any advertised price below MAP and otherwise complies with this Policy; and

C. distributor to distributor advertising

4. **Consequences of Violating this Policy.** SMP will take one or more of the following actions upon a verified violation of this Policy by a Direct Customer:

(a) ***For the first violation:*** If a Direct Customer receives a notice of violation of this Policy from SMP and such violation:

(i) is continuing, such Direct Customer will stop or cause to be stopped such violation within the time period specified in such notice, which typically will be one of the following: (A) no later than 14 days or (B) by the conclusion of the period otherwise specified by SMP (the “Allotted Period”) (if such Direct Customer takes such action, a violation still has been accrued); or

(ii) has been removed or stopped (e.g., a violation that has not been continued or repeated) no further action is required on the part of such Direct Customer, but a violation has been accrued.

(b) ***For the second violation:*** In the event that (i) the offending conduct that caused the first violation is not removed or stopped (if SMP determines that it can be) within the Allotted Period or (ii) such Direct Customer otherwise violates this Policy a second time, effective as of the date specified in notice from SMP to such Direct Customer, Direct Customer will stop or cause to be stopped such violation within the time period specified in such notice, which typically will be one of the following: (x) no later than 30 days or (y) by the conclusion of the Allotted Period (if such Direct Customer takes such action, a second violation still has been accrued).

(c) ***For the third violation:*** In the event that (i) the offending conduct that caused the second violation is not removed or stopped (if SMP determines that it can be) within the Allotted Period or (ii) such Direct Customer otherwise violates this Policy a third time, effective as of the date specified in notice from SMP to such Direct Customer, and continuing for up to the next 90 days, SMP may, at its sole discretion, increase the price for each Covered Product purchased by such Direct Customer during such period by ten percent (10%), and the offending Downstream Reseller shall be placed on the Do-Not-Sell List (as defined below).

(d) ***For the fourth violation:*** In the event that (i) the offending conduct that caused the third violation is not removed or stopped (if SMP determines that it can be) within the Allotted Period or (ii) such Direct Customer otherwise violates this Policy a fourth time, effective as of the date specified in notice from SMP to such Direct Customer, and continuing for up to the next 180 days, SMP may, at its sole discretion, for each Covered Product purchased by such Direct Customer during such period increase the price by fifteen percent (15%), and the offending Downstream Reseller shall be placed on the Do-Not-Sell List.

(e) ***For each additional violation:*** In the event that, after the fourth violation of this Policy by such Direct Customer, SMP provides notice to such Direct Customer that SMP has re-authorized such Direct Customer to purchase any or all of the Covered Products, then each act or failure to act of such Direct Customer that constitutes a violation of this Policy (or is deemed by SMP to be such a violation) will receive the same treatment as if a new fourth violation had then occurred.

(f) For purposes of this Policy, “Do-Not-Sell List” means an SMP Notice which indicates that one or more persons or entities is or are not authorized by SMP to promote or sell Covered Products and use any associated brand or trademark identified by SMP.

(g) Each violation of this Policy is cumulative. Except as noted, the consequences of each violation can take effect regardless whether the consequences for the preceding violation(s) are still running. The same act(s) or failure(s) to act may result in multiple violations. For any Downstream Reseller purchasing any or all Covered Products from one or more Direct Customers, this Policy will be enforced through a Do-Not-Sell List.

## 5. **Additional Provisions.**

(a) SMP alone shall make all decisions pertaining to the enforcement of this Policy. This Policy may be modified, extended, waived, suspended, discontinued or rescinded in whole or part by notice from SMP at any time, with such action(s) effective immediately or as otherwise described by SMP. SMP alone will determine if a decision to place a Downstream Reseller on the Do-Not-Sell List is permanent or for a specific timeframe.

(b) ***SMP recognizes that Direct Customers and Downstream Resellers are free to make their own decisions to advertise and sell Covered Products at any price they choose, without consulting or advising SMP.*** Similarly, SMP will exercise its right to make decisions regarding the terms on which SMP will do business with Direct Customers and the allocation of

Covered Products, availability of new Covered Products, or future promotional, joint marketing, or sponsorship programs.

(c) It is a violation of this Policy for any Direct Customer knowingly to sell or distribute Covered Products to any Downstream Reseller or other company, individual or website address identified on the Do-Not-Sell List. It is the responsibility of every Direct Customer to monitor for changes in the Do-Not-Sell List and to review all aspects of their business practices to ensure compliance with this Policy. Direct Customers must cease accepting any new orders from a Downstream Reseller or other company, individual or website address on the Do-Not-Sell List.

(d) Direct Customers that purchase Covered Products and sell them to a Downstream Reseller must (i) provide the Downstream Reseller with a copy of, or link to, this Policy; and (ii) notify SMP of the name of the Downstream Reseller so that SMP may communicate directly with the Downstream Reseller including, among other things, informing the Downstream Reseller of changes to this Policy. When a Direct Customer sells Covered Products to a Downstream Reseller, the Direct Customer must inform the Downstream Reseller that it is the Downstream Reseller's responsibility to monitor for changes in the list of Covered Products, MAPs and this Policy and to review all aspects of their business practices to ensure compliance with this Policy.

(e) SMP will monitor the advertised prices of Direct Customers and Downstream Resellers either directly or via the use of third parties like mystery shoppers and other independent contractors or surveillance tools. Direct Customers are expected to cooperate fully with any investigations that SMP conducts regarding possible Policy violations. Hindering, obstructing, delaying, or otherwise failing to cooperate with a Policy investigation is a violation of this Policy.

(f) Unless SMP designates otherwise, for purposes of compliance with this Policy, each business (regardless of the name(s) used and location(s)) directly or indirectly owned, operated or associated with a Direct Customer (as determined by SMP) will be considered to be part of such Direct Customer, so that each violation by any such business will be aggregated with that or those of each other such business and attributed to such Direct Customer.

(g) Regardless whether expressly indicated in this Policy, each notice referred to herein (including, without limitation, an SMP Notice) may, as determined by SMP, be given in writing or electronically and will be considered to be received as designated by SMP. Without limiting the foregoing, notices hereunder may be given (a) by updating this Policy as it appears on SMP's website at [SMPmap@brandprotectionagency.com](mailto:SMPmap@brandprotectionagency.com); (b) by written notice sent via overnight courier (e.g., FedEx) or certified mail to any particular Direct Customer at the most current street address of such Direct Customer of which SMP is aware; or (c) by written notice sent via email to any particular Direct Customer at the most current email address of such Direct Customer of which SMP is aware.

(h) The “Frequently Asked Questions” (“FAQs”), accompanying or associated with this Policy is intended to help answer questions, but is not part of this Policy. In the event of any disagreement over the interpretation or enforcement of this Policy, the view of SMP will control.

(i) The consequences of violating this Policy are non-exclusive and do not limit or waive in any way the legal, equitable and other remedies available to SMP under any other SMP policy or contract, or pursuant to any applicable law or regulation.

(j) This Policy is not a contract between SMP and any Direct Customer and as such, SMP will not negotiate or otherwise discuss any conditions of acceptance related to this Policy. In addition, SMP neither solicits, nor will it accept, any assurance of compliance with this Policy. Notwithstanding anything to the contrary which may be expressed or implied in or by one or more agreements between a Direct Customer and SMP, nothing therein shall constitute an agreement by such Direct Customer to comply with this Policy, as, among other things, this Policy is not and should not be construed to be one of the SMP policies (as such term or the equivalent is or may be used in any or all of such agreements) where such compliance is mandatory.

(k) All questions or requests for additional information regarding this Policy and all information regarding potential violations of this Policy must be in writing and are to be addressed to the following person at SMP responsible for this Policy:

MAP Policy Administrator  
Standard Motor Products, Inc.  
37-18 Northern Blvd.  
Long Island City, NY 11101  
email: [SMPmap@brandprotectionagency.com](mailto:SMPmap@brandprotectionagency.com)

Only the Policy Administrator or his/her designated representative(s) is or are authorized by SMP to answer questions regarding this Policy, to comment on this Policy or to accept information regarding potential violations.

Supporting material like MAP Price Lists, Do-Not-Sell List and FAQs can be accessed by first registering as a Direct Customer at <http://smp.channelsync.com>.