

The DMC Corporation Minimum Advertised Price Policy

Effective February 15, 2023

Introduction

The DMC Corporation (“DMC”) has been a source of materials and supplies for stitchers for over 250 years, including over ninety years in the United States. DMC’s products help consumers express themselves and find a creative outlet. Its motto is “From one fine thread a work of art is born.”

DMC is committed to quality and sustainability. Through investment in its products and personnel, DMC has established a premium brand and a strong reputation for providing quality products. In 1994 DMC was awarded the ISO 9002 International Certificate for Manufacturing Excellence, and the Oeko-Tex 100 Certification for its high environmental standards.

Policy

DMC is committed to preserving the reputation and distinctiveness of its brand and margins for itself and its resellers. DMC has determined that advertising prices for DMC’s products below certain levels established by DMC negatively impacts DMC’s trade reputation, image, and marketing strategy.

To ensure the value and image of DMC’s products to its customers and retailers, DMC herein unilaterally establishes Minimum Advertised Price Policy (“MAP Policy”). This MAP Policy applies to all distributors, wholesalers, and retailers (collectively “Resellers”) who resell DMC products to customers located in the United States. This policy will be uniformly enforced. DMC will not discuss a Reseller’s advertising practices with any Reseller.

General Guidelines

1. The products covered by this policy are listed in Schedule A (the “MAP Products”), as may be amended in DMC’s sole discretion from time to time, and the minimum prices (“MAP”) and/or maximum percentage discount that may be advertised in accordance with this MAP Policy are set forth therein.
2. Resellers that advertise MAP Products at a price less than MAP or at a percentage discount greater than the maximum authorized discount set forth on Schedule A, may, in DMC’s sole discretion, face suspension of their participation in co-operative advertising programs, suspension of their eligibility for DMC promotions, or cancellation of any pending orders and termination of their account with DMC.
3. This MAP Policy applies to all advertisements of MAP Products in any and all media, including but not limited to print (newspapers, magazines, flyers, public signage, catalogs, direct mail, advertising circulars and inserts), outdoor, broadcast (radio, cable, satellite, television or streaming and mobile), web, and email, etc.

Specific Advertising Guidelines/Examples

- a. Website features such as “click for price,” automated “bounce-back” pricing e-mails, pre-formatted e-mail responses, forms, and automatic price display for any items that enable a

potential customer to see a price prior to placing the item in a virtual shopping cart, and other similar features constitute advertising under this MAP Policy.

- b. It shall be a violation of this MAP Policy to advertise that a price below MAP or a discount greater than the maximum allowed on Schedule A is available by adding an item or items to the shopping cart or by joining a VIP/Club or similar program.
 - c. It shall be a violation of this MAP Policy to advertise a rebate for a product on Schedule A, if when applied, the rebate would result in reducing the price for the item(s) below the MAP. However, advertising a rebate offered directly to end-users by DMC does not violate this MAP Policy.
 - d. A “bundled” price for any products *not* on Schedule A together with one or more products subject to this MAP Policy is a violation of the policy if such bundling price reduces the effective price associated to the MAP Product to below MAP.
 - e. A “bundled” price for multiple MAP Products is a violation of the MAP Policy if 1) any individual price shown is below the MAP, 2) the total price is below the sum of the individual MAPs, or 3) the total discount on the bundled products is greater than the maximum authorized percentage discount set forth in Schedule A.
 - f. Offering a gift card, points, or other incentives contingent on the purchase of a MAP Product will violate this policy if the effective or stated price of the bundle represents an immediate discount greater than the maximum authorized percentage discount set forth in Schedule A.
- 4. Resellers that distribute DMC products directly to other Resellers (hereinafter “Distributors”) must supply a copy of this MAP Policy to any new or existing Resellers to whom they sell DMC products. Distributors are responsible for ensuring that any Reseller to whom they sell DMC products receives a copy of and adheres to this MAP Policy. A Distributor may be sanctioned in accordance with paragraph 2 of this MAP Policy if any of its customers’ advertisements are not in compliance with this MAP Policy.
 - 5. The interpretation and enforcement of this MAP Policy, including the determination of appropriate sanctions, if any, is solely at DMC’s discretion.
 - 6. Except as specifically designated in writing, no employee or sales representative of DMC other has any authority to discuss or modify this MAP Policy. Any action of any person which purports to modify this MAP Policy or to solicit or obtain the agreement of any person to that MAP Policy is unauthorized and invalid.
 - 7. This MAP Policy is a unilateral statement of the terms upon which DMC will do business with its Resellers, and DMC will neither seek nor accept Reseller’s agreement to this MAP Policy.
 - 8. DMC reserves the right to modify or suspend the MAP with respect to any products by notifying Resellers of such a change.
 - 9. Any questions about this MAP Policy should be in writing and directed MAP@dmcus.com.

Exclusions and Limitations

10. This MAP Policy applies only to *advertised* prices and discounts and does not apply to the price at which any MAP Products are actually sold. Resellers remain free to set prices and sell MAP Products at any price they elect
11. This MAP Policy does not limit the ability of Resellers to advertise that “they have the lowest price,” that they “will meet or beat competitor’s price,” or that consumers can “call for a price,” or use of similar phrases so long as the price advertised or listed for the products is not less than the MAP.
12. This MAP Policy does not apply to a discount that applies storewide or only to a *single* item, whether in the form of a coupon, discount code, or general sale, that does not specifically state that it applies to a MAP Product or DMC products, generally, provided it does not combine with another existing advertised price to result in advertisement of a price for a MAP Product that is lower than the MAP or a discount that is greater than the maximum percentage discount permitted on Schedule A.
13. This MAP Policy does not apply to point of sale displays, nor price stickers or bar codes or in-store displays that are not distributed to consumers and are visible only in-store.
14. The MAP Policy does not apply to the actual sales price shown in a “shopping cart” or on a “checkout page” of a Reseller’s website or related internet site, provided the customer can purchase the product at the price shown in the cart or on the checkout page without having to undertake any additional steps prior to making payment, including, but not limited to, inputting a discount code, or joining a VIP or preferred customer program, member program, or similar program, whether such membership is free or not.
15. This MAP Policy does not apply to prices provided over the phone, or in response to an email personally created by a customer from its own email program.
16. It shall not be a violation of this MAP Policy to advertise a manufacturer’s rebate.

Schedule A

The following DMC products are included in this MAP policy:

- **DMC Six Strand Embroidery Floss, Article 117, including all the current and future colors within the Article 117 line.**
- **All DMC Six Strand Embroidery Floss, Article 117, colors sold in any assortment for resale by the skein**
- **The Minimum Advertised Price (MAP) of DMC Six Strand Embroidery Floss is \$.66 per skein.**