

Macally/SecurityMan Retail Minimum Advertised Price (MAP) Policy

SecurityMan has realized that SecurityMan brand is losing millions of dollars in equity and value everyday as advertised prices (especially online prices) are pushed lower and existing sales channels are divesting from product lines that don't protect their interests. SecurityMan has determined that its interests are best served through the adoption of a minimum advertised price (MAP) policy. This MAP policy is designed to (1) protect reseller margins, (2) support the SecurityMan brand as a premium offering, and (3) avoid destructive intra-brand channel conflict. SecurityMan believes the MAP policy would make business fair for all.

MAP Product Price List can be found on www.securitymaninc.com and incorporated as part of this MAP policy. To view the current MAP Price List, please click here: <http://www.securitymaninc.com/support/map.html>. SecurityMan reserves the right at any time to modify, suspend, or discontinue the MAP policy in whole, in part, or designate promotional periods during which the terms of the policy change or designate periods of time during which the reseller to bring its prices into compliance with the MAP Policy.

Each reseller is free to independently set its actual resale price for any product.

Applicability

This MAP Policy applies to advertising by all categories of resellers.

1. Retailers (stores, online e-retailers, TV/Radio retailers, club retailers, and direct mailers.)
A retailer purchases SecurityMan products from SecurityMan, an authorized distributor, or Mace Group (parent company) can be considered as a SecurityMan authorized retailer. The authorized retailer must comply with SecurityMan's MAP Policy.

The advertised price includes:

- General pricing: Each retailer's advertised prices of SecurityMan products must be at or above the MAP prices.
- Bundling and Value-Added Offers: All bundles must be advertised at or above the cumulative MAP Policy price of SecurityMan products (MAP listed). If a SecurityMan product is bundled with a non-SecurityMan item (product or gift card), the advertised bundle price must be at or above the MAP price of the SecurityMan product plus the value of the other item if sold separately.
- Discounts, Rebates, and Savings "Call-Outs": Advertisements for SecurityMan products may include percentage or specific dollar amount discounts or rebates. If such discounts result in a net price lower than the MAP Policy price of a SecurityMan product, then such advertisement will be a MAP violation. However, if it is specifically stated for limited time (no more than one month) and/or limited quantity promotions, there is no MAP violation issue.

2. Distributors

Each distributor will use commercially reasonable efforts to require its customers (resellers) comply with SecurityMan's MAP Policy. Distributors are not authorized to resell SecurityMan products to any retailers who violate SecurityMan's MAP Policy. Distributors are responsible to pass on SecurityMan's MAP Policy to their customers (resellers).

Consequences of Violation

At the sole discretion of SecurityMan Inc. or Mace Group Inc. (parent company), intentional and/or repeated failure to abide by SecurityMan's MAP Policy can result in:

- The loss of authorization status – resell SecurityMan products, use SecurityMan logo/trademark and product images.
- The loss of ability to participate in marketing programs, access and funding, including but not limited to (1) advertising or marketing reimbursement via MDF, co-op, rebate, or VIR, and (2) promotions.
- Cost increase.

Covered Advertising

The types of advertising covered by this Policy are:

- Internet advertising such as banner, pop-up and pop-under ads.
- Direct listing with price on any web site accessible to the public above the “shopping cart” is considered an advertisement.
- Print advertising to general public such as newspapers, magazines, and print inserts.
- Direct advertising to general public such as catalogs, flyers, newsletters, direct mail pieces, and broadcast faxes, whether mailed or hand delivered.
- Broadcast advertising such as radio and TV.
- E-mail advertising (e-mail broadcasting) to general public with price information.

Not Covered Advertising

The types of advertising *not* covered by this Policy are:

- Direct advertising to reseller’s existing customers or members (of membership companies like Costco, Sam’s Club, ... etc.) such as catalogs, flyers, newsletters, direct mail pieces, and broadcast faxes, whether mailed, e-mailed, hand delivered or shipped in box with product (box stuffers).
- Online promotions for limited items and limited time only. Must include promotional statement for certain holiday or time period no more than one month. And, no more than six promotional SecurityMan items at the same time.
- In-store merchandising for any walk-in customer. The store is free to sell the walk-in customer at any price.
- A web site shopping cart as long as the product was placed by a customer who clicked or selected “Order” or “Add to Cart” or a comparable command. “Get into a shopping cart” can be considered as “walk into a store”.
- Advertising statements such as “Reg. Price: \$199.99. On Sale Now: See price in cart,” “Too low to print,” “Call for Price,” “Call for Quote,” “E-mail for Price,” or “E-mail for Quote.”
- Limited access programs online such as “Customer Loyalty” or “Membership” that require “Log-In” username and password to access product price information.
- Free offers (not free items bundled) associated with SecurityMan product such as free shipping, 0% sales tax, and free financing promotions.
- Employee or academic purchase programs.
- Price matching policies are acceptable; however, they cannot be used as a valid reason for violations of SecurityMan’s MAP Policy.
- Televised specials that do not last more than 24 hours and are advertised only on the promotion date.
- Prices negotiated between reseller and a unique customer.
- Prices for used or refurbished items.
- Prices for any discontinued or near end-of- life item announced by SecurityMan.
- If any item is not listed in MAP Product Price List, then the reseller is free to advertise the product at any price they are comfortable with.

Contact Information

SecurityMan Inc./Mace Group Inc. sales personnel have no authority to modify or grant exceptions to this policy or have any communications with any reseller regarding violations of this MAP Policy. All questions or comments regarding this MAP Policy should be sent to the MAP Policy Manager at map@securitymaninc.com or to the following address:

Macally/SecurityMan Inc.
Attn: MAP Policy Manager
4601 E. Airport Dr.
Ontario, CA 91761

Macally/SecurityMan's MAP Policy and Confirmation Agreement

This MAP Policy and Confirmation Agreement is made this date _____, 20____ with an effective date of _____, 20____ by and between SecurityMan and all categories of resellers. One month grace period from this effective date is provided to all resellers.

SecurityMan places great value on the efforts of all resellers to distribute our products and support their customers. Our MAP policy is intended to encourage good competition for the sale of SecurityMan products in a manner that is consistent with the long-term interests of our customers. We are sure that you share our commitment to customer satisfaction and as such, we ask that you indicate by signing this MAP confirmation agreement.

Thank you for your prompt attention to this matter, and your continued support for SecurityMan products.

Read and understood by:

Authorized Reseller Co. Name (Print)

Address	City	State	Zip
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Authorized Reseller Representative (Print)	Title
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Signature	Date
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SecurityMan Retail Minimum Advertised Price (MAP) Listing as of Aug. 06, 2015

	Item	Description	(In US Dollars)	
DIY (Do-It-Yourself) Wireless Alarm Systems & Add-On Items			MSRP	MAP
	AIR-ALARMII	D.I.Y. wireless smart home alarm system w/doorbell	\$149.99	\$139.99
	AIR-ALARMIIIE	Economy Kit of D.I.Y. Wireless Smart Home Alarm System, including 1xcontrol panel, 1xPIR motion sensor, 1xdoor/window sensor, 2xremote, 1xwarning sign (Special bundled kit)	\$99.00	\$94.99
	AIR-ALARMIIIDL	Deluxe Kit of D.I.Y. Wireless Smart Home Alarm System, including 1xcontrol panel, 2xPIR motion sensor, 3xdoor/window sensor, 2xremote, 1xsmoke sensor, & 1 warning sign (Special bundled kit)	\$179.99	\$169.99
Vehicle Camera Systems			MSRP	MAP
	CARCAM-SD	HD car camera recorder w/impact sensor	\$99.99	\$94.99
	CARCAM-SDE	Mini HD car camera recorder w/impact sensor	\$69.99	\$64.99
	CARCAM-SDEII	Mini HD car camera recorder II w/impact sensor	\$69.99	\$64.99
DVRS (digital video recorders)			MSRP	MAP
	DIGIAIRWATCH	Digital wireless outdoor/indoor camera record system (SD) kit w/night vision & audio	\$169.99	\$159.99
	DIGIAIRWATCH2	Two digital wireless outdoor/indoor cameras record system (SD) kit w/night vision & audio	\$269.99	\$249.99
	DIGILCDDVR2	Two digital wireless cameras LCDDVR(SD) system -2 x Digital wireless outdoor/indoor camera + 1 x 7" LCDDVR monitor	\$349.99	\$319.99
	DIGILCDDVR4	Four digital wireless cameras LCDDVR(SD) system -4 x Digital wireless outdoor/indoor camera + 1 x 7" LCDDVR monitor	\$549.99	\$499.99
	DIGIOUTLCD	4-ch digital wireless security system - 7" LCD/SD recorder & one enhanced digital wireless outdoor camera with night vision and	\$299.99	\$279.99
	DIGILCDNDVR2	Outdoor/Indoor iSecurity digital wireless cameras(2) system	\$429.99	\$399.99
DIY (Do-It-Yourself) Wireless Cameras			MSRP	MAP

	IPCAM-SDII	Outdoor iSecurity camera with 8GB SD recorder & night vision	\$189.99	\$179.99
	CLOCKCAM-WIFI	Wall Clock iSecurity camera with Micro SD recorder	\$219.99	\$199.99
Dummy Cameras			MSRP	MAP
	DUMCAM-SLM	Spotlight dummy camera with solar panel and PIR motion sensor	\$39.99	\$37.99
	DUMCAM-SLMX2	2pcs pack of Spotlight dummy camera with solar panel and PIR motion sensor	\$79.99	\$75.99
	SM-3803	Solar outdoor/indoor dummy camera w/LED	\$29.99	\$27.99
	SM-2100	Dummy outdoor/indoor speed dome camera w/LED	\$24.99	\$22.99
	SM-3802	Dummy Outdoor/Indoor Camera w/ LED	\$24.99	\$22.99
	SM-3802-2PK	2 packs of dummy outdoor/indoor camera w/ LED	\$49.99	\$45.99
	SM-320S	Dummy Indoor Dome Camera w/LED	\$14.99	\$13.99
	SM-320S-3PK	3 packs of dummy indoor dome camera w/LED	\$44.99	\$41.99
	SM-3601S	Dummy Indoor Camera w/LED	\$14.99	\$13.99
	SM-3601S-3PK	3 packs of dummy indoor camera w/LED	\$44.99	\$41.99