



## **Title: DIGIOP MAP Policy**

**Date: August 1, 2011**

DIGIOP, Inc. (hereinafter "DIGIOP") is pleased to introduce its Minimum Advertised Price (hereinafter "MAP") Policy. The MAP Policy applies to certain products (hereinafter "Map Products," defined below) for purchase by authorized resellers (hereinafter "Resellers," defined below) for resale.

DIGIOP is a leader in the design and manufacturing of video and data management software solutions. To promote the most effective advertising possible for DIGIOP's products, DIGIOP's MAP Policy is designed to ensure that all advertising of MAP Products is accurate and non-deceptive and will appropriately highlight the products' features, benefits, quality and value. DIGIOP's MAP Policy is also designed to encourage Resellers to promote and invest in MAP Products. DIGIOP products are precise and complex technologies, with many attributes that require knowledgeable sales persons to allow consumers to fully understand their unique features and benefits. Therefore, DIGIOP, through this MAP Policy, seeks to encourage Resellers to undertake advertising and promotional activities designed to enhance the presentation and market awareness for its products.

DIGIOP has unilaterally adopted the DIGIOP, Inc. Minimum Advertised Price (MAP) Policy. DIGIOP does not ask for, nor will it accept, any assurance of compliance or agreement from its Resellers relating to any aspect of the MAP Policy. Nothing in the MAP Policy is intended to be, or shall be construed as, an agreement as to the minimum prices at which a Reseller will advertise or sell MAP Products. Resellers must determine, using their sole discretion, the price at which they will sell DIGIOP products. The MAP Policy applies only to advertised prices as specified in this and related documents.

All questions, comments, or other communications regarding this MAP Policy must be sent to [MAP\\_Policy@digiop.com](mailto:MAP_Policy@digiop.com).

Please understand that no other DIGIOP representatives or agents are authorized to discuss the MAP Policy. We look forward to your continued support and promotional efforts on behalf of DIGIOP products.

## **Definitions:**

1. "Resellers" are those businesses and any locations thereof that are authorized by DIGIOP to purchase and resell MAP Products to either end user consumers or to further resellers.
2. "Advertisement" means any communication with customers that identifies any MAP Products, including, but not limited to, radio ads, print ads, TV ads, catalogs, direct mail, outdoor advertising (including billboards and store window or other similar display advertising visible from the exterior of the store), phone solicitations or quotes initiated by a Reseller, advertising stuffers in monthly statements, websites, email (whether broadcast or individual emails), auction sites, banner advertisements, and any other media used to communicate prices to the public. For purposes of this policy, "Advertisement" does not include: (1) in-store communications between a Reseller and its customers, (2) live, one-on-one, non-automated telephonic communications initiated by a customer or (3) individualized, non-automated e-mails between customer and Reseller initiated by a customer.
3. "MAP Products" means all products identified on the MAP Policy Pricing List, as amended from time to time.
4. "MAP" or "Minimum Advertised Price" means the minimum advertised price for specific MAP Products as set forth in DIGIOP's MAP Policy Pricing List, which may be amended from time to time.
5. "Package" means a combination of more than one product, including at least one MAP Product, offered for sale as one combined product with a single price. For example, offering a security camera along with a DIGIOP product (included on the MAP Policy Pricing List) for a single combined price constitutes a Package.
6. "MAP Package" means a Package consisting solely of MAP Products.

## **MAP Policy:**

7. The MAP Policy as established by DIGIOP in this document and accompanying Questions & Answers apply to all Resellers.
8. Products subject to the MAP Policy and their corresponding Minimum Advertised Price are published in the current and effective MAP Policy Pricing List. DIGIOP, in its sole discretion, may amend its MAP Policy Pricing List or discontinue MAP Pricing on any MAP Product at any time.
9. DIGIOP will unilaterally administer and enforce this MAP Policy. Resellers who violate this MAP Policy will be subject to enforcement actions including, but not limited to, loss of eligibility to purchase MAP Products for an unspecified period of time and termination, as determined by and at the sole discretion of DIGIOP. Except as otherwise expressly provided in this MAP Policy, it shall be a violation of this MAP Policy for a Reseller to include any prices below MAP in its Advertisements of MAP Products. Advertisements that do not include specific prices do not violate this policy. For example, it is not a violation of the MAP Policy to advertise that a Reseller has the lowest prices, or will match or beat competitors' prices, or use similar language.

10. A Reseller may advertise that customers may call the Reseller for a price quote. "Call for Price" is limited to a live, one-on-one telephonic communication initiated by a customer, consistent with the exceptions to Advertisements as defined in Paragraph 2 of Definitions above.
11. When a customer enters a Reseller's store, a Reseller may sell a MAP Product to the customer at any price the Reseller wishes. Similarly, on a website, when a customer places an item in his or her shopping cart and goes to the checkout screen, he or she has "entered" the virtual store. At the checkout screen, and only at the checkout screen, the Reseller may advertise that the customer may call to receive a discount via a unique, single-use promotional code. The unique, single-use promotional code shall only be provided to the customer in a live, one-on-one telephonic communication initiated by a customer, as referenced in "Call for Price" above, or via a non-automated individualized email in response to a customer-initiated email. Reseller shall not advertise the fact that there is a promotional code anywhere other than the checkout screen. The promotional code itself may not be advertised anywhere.
12. While Resellers may offer Packages, Resellers may not advertise prices for Packages other than for MAP Packages. Resellers may advertise prices for MAP Packages as long as the Minimum Advertised Price for the combined MAP Package is no lower than the combined separate Minimum Advertised Prices for the MAP Products included therein.
13. If a Reseller elects to sell MAP Products that are factory seconds, demo products, any other refurbished products which DIGIOP may offer for sale, or any customer returns from Resellers that are not advertised or promoted as used and on which DIGIOP offers a warranty, the Reseller may advertise such products at a price no more than 15% below MAP. Advertising for these products must include the phrase "Factory Second," "Demo Product," "Refurbished," "Return," or other similar language in letters that are at least as prominent as the price. The identifying phrase must be located immediately next to the price.
14. The DIGIOP MAP Policy will be in effect until further notice, which will be made in writing by DIGIOP.
15. In the event that any provision of this MAP Policy is found to be in violation of local, state or federal law, the remaining provisions shall continue in effect.
16. If there is doubt as to whether a planned advertisement, website or solicitation complies with DIGIOP's MAP Policy, a Reseller should contact DIGIOP in writing.

## QUESTIONS & ANSWERS:

### **Q1: Why has DIGIOP adopted a MAP Policy?**

**A:** DIGIOP, through the MAP Policy, seeks to encourage Resellers to undertake advertising and promotional activities designed to enhance the presentation and market awareness for its products. Customers rely on advertising materials to determine the value of a product. The MAP Policy is designed to ensure that the advertisement and introduction of DIGIOP's MAP Products will highlight their features, benefits, quality and value. Such advertising is necessary to establish the appropriate perceived value of the products in the minds of consumers.

### **Q2: What does unilateral mean and why is it important?**

**A:** Unilateral means one-sided, independent or alone. The point is that there is no agreement or joint decision between a Reseller and DIGIOP to resell or advertise at any price. Each Reseller must independently and unilaterally set its own pricing. To avoid any implication that DIGIOP is agreeing with a Reseller on pricing, for the protection of DIGIOP and Resellers, there should be no discussion or negotiation between DIGIOP and a Reseller regarding pricing or compliance with the MAP Policy. All questions, comments, or other communications regarding the MAP Policy must be sent to DIGIOP

### **Q3: When does this MAP Policy go into effect?**

**A:** DIGIOP's MAP Policy will go into effect on August 1, 2011, and will remain in effect as outlined until such time that DIGIOP provides written notice that it has been terminated or modified.

### **Q4: Which DIGIOP products does the MAP Policy cover?**

**A:** A complete listing of the MAP Products covered by the DIGIOP MAP Policy can be found in the current MAP Policy Pricing List, published on the company website, [www.digiop.com](http://www.digiop.com).

### **Q5: Does the DIGIOP MAP Policy place any Reseller restrictions on the actual selling price of Map Products?**

**A:** No. Resellers are free to sell all products distributed by DIGIOP for whatever price they choose.

### **Q6: Does this MAP Policy apply to sale prices displayed on merchandise in a physical, brick-and-mortar store?**

**A:** No. The MAP Policy does not apply to physical in-store displays, in-store advertising or sale prices posted in a physical, brick-and-mortar store (unless said prices are visible from outside the store, in which case it is defined as an Advertisement). The MAP Policy also does not cover physical in-store conversations between Resellers and their customers, one-on-one non-automated telephonic communication initiated by a customer, or individualized, non-automated e-mails between customers and Resellers initiated by a customer.

**Q7: Does the DIGIOP MAP Policy apply to sale prices displayed on a Reseller’s website?**

**A:** Yes. All web-based posted prices (including “shopping cart” prices that are displayed when a customer clicks “add to cart”) are within the scope of the MAP Policy. A Reseller may display prices on its website (including the display of prices in an “add to cart” feature), but these prices must comply with MAP. A Reseller may use the “Call for Price” feature described below in connection with internet sales.

**Q8: Can a Reseller use a “Call for Price” feature on my website?**

**A:** Yes. A price quoted in a live, one-on-one telephonic communication (i.e., not automated) initiated by a customer is not considered an “Advertisement” under the MAP Policy. In this situation, as with Resellers speaking directly to customers in face-to-face communications, a Reseller can quote prices below MAP without violating the Policy.

**Q9: Can a Reseller sell MAP Products at any price on its website?**

**A:** Yes, subject to certain procedures. In order to allow the customer to purchase the MAP Product at a discount from the MAP, a Reseller may, during a live, one-on-one telephonic communication initiated by the customer, verbally provide the customer with a unique, single-use promotional code for use at the website checkout screen. Resellers may not advertise the fact that a customer may call to receive a promotional code except at the checkout screen. The promotional code itself may not be advertised in any Advertisement, as defined in Paragraph 2 of the Definitions above.

**Q10: What about an “Email for Price” feature?**

**A:** Many websites include “Email for Price” features, whereby the customer is permitted to click on an “Email for Price” icon and an email containing a price is automatically generated in response. Any automatically-generated email reply containing a price below MAP is subject to and prohibited by the MAP Policy. However, a Reseller may use an automatically-generated email reply to inform the customer that he or she may “Call for Price” and may provide a telephone number through which the customer may initiate a live, one-on-one telephonic communication, consistent with the exceptions to Advertisements as defined in Paragraph 2 of the Definitions above. A Reseller may also respond with an individual, non-automated email response which is not an “Advertisement,” consistent with the Paragraph 2 of the Definitions above, which email response may contain the unique, single-use promotional code referenced in Paragraph 5 of the MAP Policy above.

**Q11: What about customer-initiated emails to a Reseller?**

**A:** When a customer emails a Reseller for pricing or discounting information, a Reseller may respond with an individual, non-automated email response, which email response may contain the unique, single-use promotional code referenced in Paragraph 5 of the MAP Policy above, or a Reseller may send a reply email informing the customer that he

or she may “Call for Price,” and may provide a telephone number through which the customer may initiate a live, one-on-one telephonic communication, both consistent with the exceptions to Advertisements as defined in Paragraph 2 of the Definitions above.

**Q12: Does an Advertisement that offers a percentage or dollar discount off all items available from the Reseller (for example, all items in the Reseller’s physical brick-and-mortar store) violate the DIGIOP MAP Policy?**

**A:** Yes. Any advertising that leads to a price below MAP is considered a violation of the MAP Policy whether or not the advertisement mentions any specific MAP Products. Resellers should use wording in the advertisement that specifically excludes MAP Products from the promotional discount (i.e., discount does not apply to DIGIOP products).

**Q13: What happens if an advertisement does not meet the terms of the MAP Policy?**

**A:** Resellers who violate this MAP Policy will be subject to loss of their eligibility to purchase MAP Products for an unspecified period or termination, as determined by and at the sole discretion of DIGIOP.

**Q14: Will DIGIOP ever change the MAP products or the minimum advertised prices for those products?**

**A:** DIGIOP reserves the right to change its MAP list and/or add or remove products. Written notice of any change will be provided.

**Q15: Would advertising without any reference to price violate the MAP Policy?**

**A:** No. It would not violate the MAP Policy to advertise in any media without a price.

**Q16: Are there any exceptions to the MAP Policy for advertising in special competitive situations?**

**A:** No.

**Q17: Are there any exceptions to the MAP Policy?**

**A:** No.

**Q18: How will DIGIOP know if a Reseller advertisement violates the MAP Policy?**

**A:** DIGIOP reviews advertising by Resellers on an ongoing basis.

**Q19: What happens if only one location of a chain Reseller violates the MAP Policy?**

**A:** It is DIGIOP's determination that an advertisement placed by one retail location or outlet violates the MAP Policy and consequences will be applied to the entire chain.

**Q20: What if one outlet of a multi-store account violates the MAP Policy?**

**A:** The entire account will be subject to any remedial action taken by DIGIOP.

**Q21: May the Reseller appeal DIGIOP's decision regarding a violation?**

**A:** No. DIGIOP's decisions cannot be appealed or negotiated. DIGIOP must maintain a unilateral policy and therefore cannot entertain appeals or discussions. For this reason, no employee of DIGIOP is authorized to discuss such matters with Resellers.

**Q22: What if a Reseller has documented evidence of a violation by another Reseller?**

**A:** DIGIOP assumes sole responsibility for enforcing the MAP Policy and does not solicit or seek from other Resellers any information about a Reseller's compliance or non-compliance. DIGIOP's sales representatives are not authorized to accept information from one Reseller relating to an alleged violation by any other Reseller. In the event a Reseller submits such information in writing to DIGIOP, DIGIOP will not discuss the alleged violation with that Reseller, or otherwise report to that Reseller any action taken as a result of its report.

**Q23: What role will DIGIOP sales representatives play in administering the MAP Policy?**

**A:** None. No DIGIOP representative or agent is authorized to confirm compliance with the MAP Policy. The Reseller is solely responsible for its compliance with the MAP Policy. Any statements to the contrary by any DIGIOP sales representative or agent are expressly unauthorized and disclaimed by DIGIOP.

**Q24: What happens if the Reseller insists on discussing or negotiating some aspect of the MAP Policy despite the restrictions?**

**A:** DIGIOP may view such activities as a violation of the MAP Policy and may withdraw authorization for the Reseller to purchase MAP Products.

**Q25: How will I be informed of MAP violations?**

**A:** You will receive written or oral notification of any violation of the MAP Policy and any enforcement action, including termination, taken by DIGIOP in response to such violation.

**Q26: What if I, or one of my employees, inadvertently advertises using an outdated MAP price?**

**A:** It is the Reseller's responsibility to advertise according to the current MAP prices listed in the current MAP Policy Pricing List.

**Q27: What if the failure to comply with the MAP Policy is a result of a media supplier's mistake?**

**A:** It is the Reseller's responsibility to ensure the correctness of its advertising at current MAP prices as listed in the current MAP Policy Pricing List.

**Q28: What if I have questions about the MAP Policy that are not covered in this document?**

**A:** All Reseller questions regarding DIGIOP's MAP Policy should be directed in writing to DIGIOP, or emailed to [MAP\\_Policy@DIGIOP.com](mailto:MAP_Policy@DIGIOP.com).