Minimum Advertised Price (MAP) Policy

Minimum Advertised Price (MAP) Policy & Scope:

Polaris Industries Inc. has established a Minimum Advertised Price (MAP) Policy in the United States and Canada that applies to any advertising of any new and current:

- Polaris vehicles, whether branded Polaris®, GEM®, Indian® Motorcycle, & Victory® Motorcycles or otherwise ("Wholegoods"); and
- Polaris parts, garments or accessories, whether branded PURE Polaris®, GEM®, Victory®, & Indian® Motorcycle or otherwise ("PG&A").

This Policy is effective September 1, 2012 and will supersede the MSRP Policy located in the 2012 Co-Op Policy.

THIS POLICY IS NOT INTENDED TO CONTROL, INFLUENCE, DETERMINE, RESTRICT OR LIMIT IN ANY WAY THE PRICE AT WHICH ANY POLARIS DEALER MAY SELL WHOLEGOODS OR PG&A. THIS POLICY IS STRICTLY LIMITED TO RESTRICTIONS ON ADVERTISING. EACH DEALER REMAINS ENTIRELY FREE TO DETERMINE ITS OWN RESALE PRICE FOR ALL WHOLEGOODS AND PG&A.

For the purpose of this Policy, "advertising" is intended to be defined as broadly as possible and includes, but is not limited to, any and all advertisements, announcements, communications, information or publications generated, developed, produced or distributed by or on behalf of a dealer in any format or media, including by way of example only: print (including without limitation, newspapers. newspaper inserts, catalogs, fliers, letters, circulars, magazines and other periodicals); television; cable; radio; faxes; billboards; e-mail; text messaging; signs; electronic media; internet websites (including without limitation, any website owned or operated by or on behalf of a dealer, third party websites, websites of any affiliates of a dealer, banner advertisements and pages that follow banner advertising upon a "click-through").
Wholegood Minimum Advertised Price (MAP):

For any advertisement in which a dealer uses Polaris trademarks and advertises any new and current Wholegood, the advertised price may not be less than the current manufacturer’s suggested retail price (MSRP) as published by Polaris, unless expressly permitted in writing by Polaris:

- as part of an authorized retail promotion applicable to new and current Wholegoods (e.g. Factory Authorized Clearance Event, Red Tag Event, Why Wait Sales Event, etc.); or

- once a model year change has occurred.

Advertisements featuring prices below MSRP for Wholegoods that have a rebate associated with them pursuant to a published Polaris retail promotion must specify the specific model, year, MSRP, and applicable rebate offer. Please refer to the example below:

<table>
<thead>
<tr>
<th>Approved</th>
<th>Not Approved</th>
</tr>
</thead>
</table>
| 2012 Sportsman XP® 850 H.O.  
MSRP: $8,799  
Rebate: $500  
After rebate: $8,299 | Sportsman XP® 850 H.O.  
$8,299  
(No Model Year or Price Breakdown) |

Model year changeover dates for Wholegoods vary by product-line. The model year changeover dates are always in effect regardless of any early-release models that may ship from time to time. These changeover dates are listed by product-line as follows:

- Polaris® ATV & Side-by-Sides: MAP = MSRP on all current model year Polaris® ATV & Side-by-Side models with the exception of the Sportsman 400 H.O. & Sportsman 500 H.O. (all color options included). This Policy will no longer apply to Polaris® ATVs & Side-by-Sides that are one model year or older on June 1st.
  - Example: On June 1, 2012 ALL 2012 & prior year Polaris® ATVs & Side-by-Sides are no longer subject to MAP Policy pricing.

- Polaris® Snowmobiles: MAP = MSRP on all current model year Polaris® Snowmobiles. This Policy will no longer apply to Polaris® Snowmobiles that are one model year or older on February 1st.
  - Example: On February 1, 2013 ALL 2013 and prior model year Polaris® Snowmobiles will no longer be subject to MAP Policy pricing.
**GEM®:** MAP = MSRP on all current model year GEM® Cars. This Policy will no longer apply to GEM® Cars that are one model year or older on August 1st.

- Example: On August 1, 2012 ALL 2012 & prior model year GEM® Cars will no longer be subject to MAP Policy pricing.

**Victory® Motorcycles:** MAP = MSRP on all current model year Victory® Motorcycles. This Policy will no longer apply to Victory® Motorcycles that are one model year or older on August 1st.

- Example: On August 1, 2012 ALL 2012 & prior year Victory® Motorcycles are no longer subject to MAP Policy pricing.

**Indian® Motorcycle:** MAP = MSRP on all current model year Indian® Motorcycles. This Policy will no longer apply to Indian® Motorcycles that are one model year or older on August 1st.

- Example: On August 1, 2012 ALL 2012 & prior year Indian® Motorcycles are no longer subject to MAP Policy pricing.

**“PG&A” Minimum Advertised Price (MAP):**

For any advertisement in which a dealer uses Polaris trademarks and advertises any new and current PG&A, the advertised price may not be less than the current manufacturer’s suggested retail price (MSRP) as published by Polaris. Dealers may not advertise any PG&A at a discount below MSRP unless expressly permitted in writing by Polaris:

- as part of an authorized retail promotion; or

- during defined “amnesty” periods where dealers will be permitted to advertise PG&A below MSRP (please refer to the specific amnesty period defined by product-line as below).

- **Polaris® ATV & Side-by-Side (Parts & Accessories): June 1st – July 31st**
- **Polaris® Snowmobile (Parts & Accessories): February 1st – July 31st**
- **Polaris® Snowmobile (Apparel): January 1st – August 31st**
- **Polaris® Power (Generators): N/A**
- **GEM® (Parts & Accessories): August 1st – September 30th**
- **Victory® Motorcycles (Parts & Accessories): August 1st – September 30th**
- Victory® Motorcycles (Apparel): August 1st – September 30th
- Indian® Motorcycle (Parts & Accessories): August 1st – September 30th
- Indian® Motorcycle (Apparel): August 1st – September 30th
- Amnesty periods will NOT apply to sportswear, casual wear, lubricants, collectibles, or general merchandise.

**Value-Added Incentives:**

Dealers are permitted to offer “value-added” incentives in advertisements for Wholegoods and PG&A that increase the value and experience to the customer, as long as no mention of the monetary value is indicated for these value-added offers. Value-added offers that qualify are as follows:

- Free shipping of PG&A
- Free installation of PG&A
- Dealer specific loyalty or rewards program

**Violations of MAP Policy:**

- Any advertising that offers or implies a price lower than the applicable MAP or that has the effect of reducing the advertised price below the applicable MAP;
- Any statements or phrases that are misleading or arbitrary;
- Any advertisement of a new and unused current Wholegood or PG&A at a price less than the applicable MAP; and
- Any advertisement that include discounts, rebates, coupons, or offers with similar price reductions that serve to reduce the advertised price below the applicable MAP, whether this reduction is stated in terms of a specific dollar amount or more generally as a reduction from the Policy, e.g. "10% off List Price", "price slashed" or "blowout prices".

**This Policy does NOT apply to the following:**

- In-store advertising, in-store displays, in-store banners or in-store price markings
for new and unused Wholegoods and PG&A and signs posted within a dealer's store and on the exterior of the dealership facility and surrounding parking lot;

- Advertising for Wholegoods and PG&A on the site of a local event or trade show.

- Sportsman 400 H.O. & Sportsman 500 H.O. (all color options included).

- E-mails, text messages, letters, and quotes from a dealer addressed to an individual customer in connection with that customer's inquiries, specific expressions of interest or business with the dealership;

- Web pages that represents the consumer's final point of purchase of a product e.g. the shopping cart;

- Advertising of Wholegood models and PG&A products excluded from the Policy;

- Advertising on a dealer’s web-site that encourage customers to "Call for a Price" or “Click for Price via return e-mail”, provided that the phrase does not in itself advertise a price reduction from the Policy;

- Advertising without any reference to price;

- Retail promotions that a dealer is allowed to advertise according to the terms provided by Polaris. For avoidance of doubt, a dealer should review the terms of each promotion.

- Advertising price of a current model year Wholegood demo provided that the price is not less than the demo credit and/or any applicable retail programs associated with demo. Any models advertised in this manner must include the final 8 digits of the VIN # in the advertisement.

- Gift cards that aren’t advertised as a way to package with a Wholegood and/or PG&A sale or that lower the price of Wholegoods or PG&A below MAP pricing;

- Advertising price of used and/or non-current Wholegoods.

**Communications & Amendments:**

Polaris will communicate with its dealers via the Dealer Extranet concerning any change to this Policy which may occur from time to time.

Polaris reserves the right, at its sole discretion, to modify, amend, suspend or cancel this Policy at any time without any advanced notice. Amendments to this Policy will not
apply to any dealer advertising that has already been prepared and is scheduled for delivery within ten (10) days after the date that Polaris gives the dealer notice of the amendment. Polaris also reserves the right to revise the applicable MAP under this Policy, at its discretion, at any time without advance notice.

**Enforcement & Non-compliance:**

Polaris has retained a third party firm to monitor and randomly sample dealer advertisements in dealer market areas and report any violations in connection with this Policy to Polaris. Polaris discourages its Dealers from complaining about other Dealers non-compliant advertising; dealer specific complaints will not be used to enforce the Policy against other Dealers. Polaris sales and support representatives are not authorized or permitted to discuss or answer questions about the enforcement and/or non-compliance (or lack thereof) of any other Dealer. Non-compliance of the guidelines set forth in this Policy will result in penalties of increasing severity issued by Polaris as outlined below:

- **1\textsuperscript{st} Violation** – dealer will receive a written warning of the violation.

- **2\textsuperscript{nd} Violation (or failure to correct prior violations)** – dealer will receive a 2\textsuperscript{nd} written notice of the violation and a $2,500 fine charged to dealer’s parts account.

- **3\textsuperscript{rd} Violation (or failure to correct prior violations)** – dealer will receive a 3\textsuperscript{rd} written notice of the violation and a $5,000 fine charged to dealer’s parts account.

- **Subsequent Violations (or failure to correct prior violations)** – dealer will receive a written notice of the violation and a $5,000 fine charged to dealer’s parts account. Polaris will also consider additional actions against dealer, up to and including termination of the dealer’s Polaris Dealer Agreements.

Dealers have the opportunity to have past violations of this Policy disregarded for purposes of computing the applicable penalty. In order to do so, a dealer must remain in compliance with the terms of this Policy for 24 consecutive months, starting on the day immediately following the date of the dealer’s last written notice of violation (e.g. if a written violation is dated 10/31/2012, dealer will have previous violations of this Policy disregarded for purposes of computing the applicable penalty for any future violations as of 11/1/2014 if no additional violations occurred during that timeframe; if another violation occurs during this period, the 24 consecutive month period will start over).
**Questions:**

Compliance with this Policy is the responsibility of each individual Polaris Dealer. Polaris sales and support representatives are not authorized or permitted to discuss or answer questions about the enforcement and/or non-compliance (or lack thereof) of any other Dealer. Polaris will not respond to any questions or comments from one dealer about the activities or advertising of any other dealer in regards to this Policy. Any questions or comments regarding this Policy must be submitted in writing to:

Polaris Dealer Development * 2100 HWY 55 * Medina, MN 55340.
Frequently Asked Questions (FAQs):

Q: When will the MAP Policy take effect?
A: September 1, 2012.

Q: Does the MAP Policy dictate the price at which I can sell Wholegoods or PG&A for?
A: No, the MAP Policy is not intended to control, influence, determine, restrict, or limit, in any way the price at which a Polaris dealer may sell Wholegoods or PG&A.

Q: What kinds of advertisements are covered by the MAP Policy?
A: All advertisements as defined in the MAP Policy.

Q: Does the MAP Policy apply to non-current Wholegoods or PG&A?
A: No.

Q: Does the MAP Policy apply to a pre-owned or traded-in product?
A: No.

Q: Are there any Wholegood models that the MAP Policy does not apply to?
A: Yes, the Sportsman 400 & 500 H.O. models are exempt from the MAP Policy.

Q: When can I advertise PG&A at a discount without violating the MAP Policy?
A: Only during defined “amnesty periods” as set forth in the MAP Policy.
Q: When does a Wholegood become a non-current?

A: Wholegoods will be considered non-current on a specific date each year, which may vary by product line. See the MAP Policy for applicable dates.

Q: When does PG&A become non-current?

A: For purposes of the MAP Policy, PG&A is considered current except during defined “amnesty periods” as set forth on a product-line basis in the MAP Policy.

Q: Does the MAP Policy allow demonstrator units to be advertised below MSRP?

A: Yes, as long as the total advertised price isn’t less than the demo credit plus and applicable Polaris sponsored retail programs. The advertisement must also include the last 8 digits of the demo unit being advertised.

Q: Where should questions or comments regarding the MAP Policy be directed?

A: Any questions regarding the MAP Policy should be addressed in writing to Polaris Dealer Development, 2100 HWY 55, Medina, MN 55340.

Q: Does the MAP Policy allow advertising of free shipping or free installation of PG&A?

A: Yes, these are considered “value-added” offers and do not impact the price at which a PG&A is advertised.

Q: Can I report violations of the MAP Policy from other dealers to my DSM?

A: No, a third party will monitor the MAP Policy.

Q: Does the MAP Policy allow current model year Wholegoods to ever be advertised below MSRP?

A: Yes, but only as part of an authorized retail promotion. For example, the MSRP may be reduced by the amount of a consumer rebate offered by Polaris during a sponsored retail event. The advertisement MUST specify the MSRP minus the applicable rebate in...
order to show the below-MSRP price.

**Q: Can hang-tags on Wholegoods and PG&A in my showroom show a price lower than the MSRP?**

**A:** Yes, the MAP Policy does not apply to in-store advertisements.

**Q: What happens when my dealership violates the MAP Policy?**

**A:** Violation of the MAP Policy will result in penalties in increasing severity as outlined below:

- **1st Violation** – dealer will receive a written warning of the violation.
- **2nd Violation (or failure to correct prior violations)** – dealer will receive a 2nd written notice of the violation and a $2,500 fine charged to dealer’s parts account.
- **3rd Violation (or failure to correct prior violations)** – dealer will receive a 3rd written notice of the violation and a $5,000 fine charged to dealer’s parts account.
- **Subsequent Violations (or failure to correct prior violations)** – dealer will receive a written notice of the violation and a $5,000 fine charged to dealer’s parts account. Polaris will also consider additional actions against dealer, up to and including termination of the dealer’s Polaris Dealer Agreements.

**Q: Does the MAP Policy allow advertisement of financing terms?**

**Q:** Yes, advertising any finance offer that is applicable to a Wholegood is considered compliant.

**Q: Will the MAP Policy ever change?**

**A:** It may, Polaris reserves the right, at its sole discretion, to modify, amend, suspend or cancel the MAP Policy at any time without any advanced notice.

**Q: How will I know if and/or when the MAP Policy changes?**

**A:** Polaris will communicate any changes via the Dealer Extranet.