

US pricing, advertising, and sales channel policy

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If you have questions, please contact the MAP Policy team at: <u>PRImappolicy@philips.com</u>

US minimum advertised pricing policy (MAP Policy)

Sleep and Home Respiratory (SHR) products covered by this minimum advertised pricing policy

The products listed in the "MAP pricing and covered products" table in the back of this document are covered by this MAP Policy and are collectively referred to in this MAP Policy as "SHR MAP Products." The minimum advertised price ("MAP") for each SHR MAP Product is as set forth opposite such SHR MAP Product in the "MAP pricing and covered products" table in the back of this document ("Internet advertising and marketing prices"). This policy applies to all customers of Philips Respironics that purchase SHR MAP Products from Philips Respironics in the United States and sell such SHR MAP Products online and/or in brick and mortar locations, who are collectively referred to in this policy as "Retailers."

Elements of this policy

- 1. Definition of "Advertisement:" The terms "Advertise," "Advertised," and "Advertisement" mean a public announcement affirmatively promoting an SHR MAP Product for sale, whether such public announcement includes (but is not limited to) an internet website, social media platform, general discussion board, blog, or internet auction site; in a catalog, newspaper, or other type of circulated printed media; on the radio or television; a fax; a text message; a retail point-of-sale display; or any other public forum or communication method.
- 2. Retailers should not Advertise Philips Respironics SHR MAP Products at prices below MAP prices. Retailers will not imply through Advertisements that prices below MAP prices are available for SHR MAP Products. Retailers will not imply through Advertisements that prices below MAP prices are available at checkout, in the "shopping cart," or at the point of purchase.

Authorized Philips Respironics rebates and promotions are exempt from this MAP Policy.

These MAP prices are not the minimum selling prices, and providers are free to sell Philips Respironics products at pricing they choose.



- 3. Consequences of violation
 - a. First offense: If a Retailer chooses to Advertise an SHR MAP Product at a price lower than the individual product MAP for that SHR MAP Product (an "Affected Product"), or otherwise violates any of the policies included in this Master Policy, Philips Respironics reserves the unilateral right to discontinue sales to the Retailer of all products in the same category as the Affected Product (as shown in the "MAP pricing and covered products" table in the back of this document), until Philips Respironics has determined in its sole discretion that the Retailer is no longer in violation.

Example: TrueBlue is in the "Patient interface" category, and a determination by Philips Respironics that there has been a MAP violation with respect to TrueBlue would give Philips Respironics the unilateral right to immediately cease sales of all "Patient interface" items to the Retailer.

- b. Second offense: After the initial offense, if a Retailer chooses to Advertise an SHR MAP Product at a price lower than the individual product MAP for that SHR MAP Product, or otherwise violates any of the policies included in this MAP Policy or any related policy in this Master Policy, Philips Respironics reserves the right to discontinue sales to the Retailer of all SHR products in the same category immediately for a period of no less than six (6) consecutive months.
- c. Repeat offenders: Should more than two violations occur in any consecutive six-month (6) period, Philips Respironics reserves the right to immediately discontinue sales to the Retailer of all products in the same category for a period no less than twelve (12) consecutive months. Philips Respironics reserves the right and sole discretion to terminate any Retailer who repeatedly violates this MAP Policy and the related policies contained in this Master Policy.
- 4. This MAP Policy has been adopted unilaterally by Philips Respironics, and Philips Respironics reserves the right to modify or rescind this MAP Policy at any time at Philips Respironics' sole discretion. Philips Respironics neither asks for, nor will Philips Respironics accept, any assurance from any Retailer that such Retailer will comply with this MAP Policy. This MAP Policy does not constitute an agreement between Philips Respironics and any Retailer. No Retailer will have any right, contractual or otherwise, to enforce this MAP Policy against any other Retailer or against Philips Respironics.

- 5. Retailers are subject to the following additional, unilateral policies:
 - a. US sales only policy for US homecare dealers
 - b. End-user only sales policy for US homecare dealers
- 6. Philips Respironics sales, marketing, and customer service personnel have no authority to modify or grant exceptions to this MAP Policy. They are not permitted to discuss with Retailers the enforcement of this MAP Policy, including the discontinuance of sales of any Affected Product to any Retailer. All questions with respect to this policy and its enforcement must be directed to the MAP Policy team via email at PRImapPolicy@philips.com.



US advertising policy

This US advertising policy applies to all product advertising conducted by the Retailer. Philips Respironics reserves the right to take appropriate steps in the event of noncompliance with any of these policies, up to and including the termination of the Retailer's account.

- 1. Definition of "Advertisement:" The terms "Advertise," "Advertised," and "Advertisement" mean a public announcement affirmatively promoting an SHR MAP Product for sale, whether such public announcement includes (but is not limited to) an internet website, social media platform, general discussion board, blog, or internet auction site; in a catalog, newspaper, or other type of circulated printed media; on the radio or television; a fax; a text message; a retail point-of-sale display; or any other public forum or communication method.
- Appropriate prescription: Because prescription SHR
 products are not to be sold to patients without an appropriate
 prescription, each Advertisement of a prescription SHR product
 by a Retailer must legibly and prominently state the following
 ("Prescription Statement"):

"A valid prescription is required for the purchase of this product."

Any website that offers the ability to purchase SHR products online must include sufficient safeguards to prevent consumers from ordering SHR prescription products without a prescription. Retailers must require and verify that a prescription comes from a US-licensed physician.

- Reference to this Master Policy is prohibited:
 Advertisements may not directly or indirectly indicate that prices and advertisements are subject to a pricing and advertising policy.
- Full legal name: A Retailer must display its full legal name and the address of its main office location in a manner that is readily accessible to all visitors to any and all of the Retailers' website(s).
- Separate entity: The Retailer must state clearly on all websites that the products and services provided by the Retailer are provided solely by the Retailer and are independent from Philips Respironics.

- 6. Access and disclosure: Retailers must provide a list to Philips Respironics of any and all of their current or proposed websites that reference or sell Philips Respironics SHR products. Retailers must provide Philips Respironics with any necessary passwords, usernames, or other methods to gain access to these websites.
- 7. Sell new products only: Retailers must sell new SHR products in their original packaging. Retailers cannot change, re-label, adulterate, or misbrand SHR products. SHR products cannot be sold or labeled as "used," "open box," or any other similar descriptors.
- 8. Only approved claims: Because SHR products and their uses are regulated by the U.S. Food and Drug Administration (FDA), Retailers may reproduce only approved claims in all advertisements and other materials relating to SHR Products. These claims are available on the Philips Respironics' website, http://www.healthcare.philips.com/us_en/homehealth/respironics.wpd or in Philips Respironics' published product or marketing literature.
- Proper trademark usage: In order to protect Philips
 Respironics' trademarks, all product names must be reproduced exactly as they appear on our website or in Philips Respironics' published product or marketing literature.
- 10. Approved marketing materials: Retailers may use only those images, graphics, and videos that are provided by Philips Respironics, or those that have been specifically authorized in writing by Philips Respironics, and Retailers may not issue press releases or make any public statements that include the Philips name, or otherwise reference their relationship with any part of Philips, without first obtaining written authorization from Philips Respironics. No Philips Respironics advertising, merchandising, or other materials may be used to sell other brands without expressed written permission from Philips Respironics.



- 11. **Untrue statements and claims:** No untrue or misleading statements or claims may be made, such as (but not limited to):
 - "Largest Philips Respironics dealer in the US"
 - "Hundreds of units in stock"
 - "Only company that services Philips Products"
- 12. **Social media/discussion boards:** Any advertising or other postings on any social networking sites or boards must be in compliance with this Master Policy.
- 13. Search engines: Retailers may provide product and price data on SHR products to search engines for inclusion in search results or shopping comparisons, provided that such information reflects pricing at or above MAP pricing and is otherwise in compliance with this Master Policy.
- 14. Third-party websites: All Retailers are permitted to advertise on third-party websites (such as Amazon.com), as long as such advertisements on those third-party websites are in full compliance with this Master Policy. In addition, such advertisements must comply with the applicable rules and regulations of each third-party website, including any prohibitions relating to the offer and sale of prescription medical devices, and Philips Respironics reserves the right to seek the immediate delisting of SHR products from such third-party websites in the event of a violation. Advertising on any thirdparty auction sites is expressly forbidden by this Advertising policy. Any Retailer determined to have offered or sold product to any party that offers or sells SHR products online via a site which prohibits the offer or sale of prescription items (or an auction site) will be subject to the same consequences outlined in Section 3 of the MAP Policy.



- 15. Rebates/coupons: Retailers may not include individual or multiple Philips Respironics SHR products in any Advertised promotion (such as a discount or rebate on all purchases), unless the gross Advertised prices of the SHR products are at or above the individual MAP pricing for such products.
- 16. Bundling: MAP Products sold in product bundles may not be advertised at a discount unless the combined price of the product bundle is equal to or greater than the sum of the MAP prices for each individual SHR product. For example, if one SHR MAP Product with a MAP price of \$100.00, and a different SHR MAP Product with a MAP price of \$50.00 are sold together, the total Advertised price of the bundle should be \$150.00 (\$100.00 + \$50.00, respectively). Product bundle advertisements that include both MAP and non-MAP products (or non-Philips Respironics SHR products) must include separate Advertised product pricing for each product component included in the bundle, and MAP products must have an Advertised price within the MAP guidelines. Additionally, SHR products must not be bundled with other brands without the expressed written permission of the MAP Policy administrator.
- 17. **Customer service capabilities:** Retailers must state clearly their service policy on their website(s), including their policies for handling warranties and returns. Retailers must post on their websites at least one customer service telephone number that is staffed by personnel during normal local business hours. Retailers must provide Philips Respironics with a current street address of any/all customer service and shipping facilities.
- 18. New product/marketing initiative launch dates: New product launch dates/times, events, and other key product and marketing updates will be communicated by Philips Respironics on an ongoing basis. When applicable, launch dates and times will be clearly communicated by Philips Respironics as to when this information can be communicated online or in-store to consumers. Retailers may not communicate in any manner, including through any Advertisement, any information to consumers regarding new product launch dates/times, events, or other key product and marketing updates prior to a specific launch date and time provided by Philips Respironics.

A violation of this section 18 will result in an immediate suspension of sales of the relevant new product for a minimum of six (6) months.

It is the responsibility of the Retailer to confirm the dates and times on which information can be released to consumers.

US sales only policy for US homecare dealers

Definition of a US homecare dealer:

Any Philips Respironics customer, whether brick and mortar, internet, or otherwise, who purchases Philips Respironics products and resells those Philips Respironics products to patients located in the United States or who offers Philips Respironics products for sale to patients located in the United States.

Rationale:

There are several reasons that US homecare dealers are only authorized to resell or otherwise distribute Philips Respironics products within the United States. Several therapy products sold by Philips Respironics have different domestic and international versions. This is in-part due to differing electrical requirements and other requirements imposed by the applicable regulatory bodies in foreign countries. For example, all medical devices that are sold in Europe must be CE-marked. Most of the US-only versions of Philips Respironics products do not contain a CE mark. The CE mark is required to sell or distribute these US versions in Europe. As a second example, all medical devices sold in Canada must provide English and French versions of their device menus and instruction manuals. As a third example, agency marks are required for all Brazilian models. Since these marks are not required in the US, these models do not carry these marks, which limits them from being sold in Brazil.

In addition, Philips Respironics has direct distribution or distribution agreements with international distributors in most countries. Philips Respironics has appointed distributors in various countries not only because of their track record in selling Philips Respironics products, but also because they have a physical facility in those countries which patients can visit in person or contact by telephone, they are familiar with the applicable laws and regulations of the countries in which they are located and are licensed by those countries to distribute medical equipment, and they have a proven ability to provide support services to patients in the countries in which they are located (e.g., equipment repair and replacement, a telephone number for patients to call with questions, complaint reporting mechanisms, product tracking ability, etc.). A number of these distribution agreements give the international distributor exclusive rights to distribute certain Philips Respironics products in that distributor's territory. Sales by US homecare dealers to parties outside the United States in countries in which another distributor has exclusive distribution rights violate that exclusive distributor's contractual rights.



Policy definition:

As a US homecare dealer, you are only permitted and authorized to resell, rent, lease or otherwise distribute (collectively, "Resell") Philips Respironics products to end-users residing in the United States. You are specifically prohibited from Reselling products to end-users residing outside the United States or to end-users whom you know, or have reason to know, intend to Resell, directly or indirectly, Philips Respironics products to end-users residing outside the United States. If you Resell Philips Respironics products via the internet, catalog, print advertisement or elsewhere, you are responsible for ensuring that all products are shipped only to end-users residing in the United States.

Consequences of policy violation:

If you violate this policy, Philips Respironics will require you to stop the prohibited international sales activities. Should you fail to correct the situation immediately after receiving notice of the violation from Philips Respironics, Philips Respironics will discontinue the sale of one or more Philips Respironics products to you for a period of no less than three (3) months upon the first violation. If there are any subsequent violations by you, Philips Respironics will discontinue the sale of one or more Philips Respironics products to you for a period of no less than twelve (12) months.

Important note: As a US homecare dealer, this policy applies to you regardless of whether you have signed an agreement with Philips Respironics.

End-user only sales policy for US homecare dealers

Definition of a US homecare dealer:

Any Philips Respironics customer, whether brick and mortar, internet or otherwise, who purchases Philips Respironics products and resells those Philips Respironics products to patients located in the United States or who offers Philips Respironics products for sale to patients located in the United States.

Policy definition:

A Philips Respironics US homecare dealer is authorized to resell Philips Respironics products only to the person who is going to personally use those Philips Respironics products (the "end-user" or "patient").



Consequences of policy violation:

If you violate this Policy by directly or indirectly Reselling Philips Respironics products to other dealers or to other businesses who are clearly not the end-users, Philips Respironics will require you to stop the prohibited Reselling to non-end users. Should you fail to correct the situation, Philips Respironics will take action, up to or including, discontinuing the sale of one or more Philips Respironics products to you. Without limiting the foregoing, Philips Respironics has the right to change your status from "US homecare dealer" to "distributor" and to make Philips Respironics products available to you at distributor pricing rather than dealer pricing (meaning that discounts extended to you as a US homecare dealer providing appropriate prescription medical device support will no longer be made available to you).

Important note: As a US homecare dealer, this policy applies to you regardless of whether you have signed an agreement with Philips Respironics.



SHR MAP pricing and covered products

ps Respironics System One sleep therapy systems m One REMstar SE DS2		\$339	CDAD
m One REMstar SE DS2		\$339	CDAD
	S220HS		CPAP
m One REMstar SE with heated humidifier DS2		\$528	CPAP
m One REMstar SE with Heated Tube humidifier DS2	S220TS	\$568	CPAP
star Plus C-Flex with SD card DS2	S260S	\$449	CPAP
star Plus C-Flex with SD card, with humidifier DS2	S260HS	\$638	CPAP
star Plus C-Flex with SD card, with Heated Tube humidifier DS2	S260TS	\$678	CPAP
star Pro C-Flex+ with SD card DS-	S460S	\$569	CPAP
star Pro C-Flex+ with SD card, with humidifier DS-	S460HS	\$758	CPAP
star Pro C-Flex+ with SD card, with Heated Tube humidifier DS-	S460TS	\$798	CPAP
star Auto A-Flex with SD card DSS	S560S	\$639	CPAP
star Auto A-Flex with SD card, with humidifier DS	S560HS	\$828	CPAP
star Auto A-Flex, with Heated Tube humidifier DS	S560TS	\$868	CPAP
P Pro Bi-Flex with SD card DS6	S660S	\$1,339	CPAP
P Pro Bi-Flex with SD card, with humidifier DS6	S660HS	\$1,528	CPAP
P Pro Bi-Flex with SD card, with Heated Tube humidifier DS6	S660TS	\$1,568	CPAP
P Auto Bi-Flex with SD card DS2	S760S	\$1,639	CPAP
P Auto Bi-Flex with SD card, with humidifier DS2	S760HS	\$1,828	CPAP
P Auto Bi-Flex with SD card, with Heated Tube humdifier DS2	S760TS	\$1,868	CPAP
P autoSV Advanced DSS	S960S	\$3,500	CPAP
P autoSV Advanced, with humidifier DSS	S960HS	\$3,689	CPAP
PautoSV Advanced, with Heated Tube humidifier DSS	S960TS	\$3,729	CPAP
m One heated humidifier DS6	S6H	\$189	CPAP
m One Heated Tube humdifier DS6	S6T	\$229	CPAP

CAUTION: US federal law restricts these devices to sale by or on the order of a physician.

Mask products	Part number	Product MAP	Product category
Amara (all sizes and models)			
Mask and headgear	1090200, 1090201, 1090226, 1090227	\$169	Patient interface
Mask only	1090210, 1090211, 1090215, 1090216	\$139	Patient interface
Amara Gel (all sizes and models)			
Mask and headgear	1090400, 1090401, 1090405, 1090406	\$169	Patient interface
Mask only	1090410, 1090411, 1090415, 1090416	\$139	Patient interface
Amara starter kit (gel mask and silicone cushion with headgear)	1106618, 1106619, 1106620, 1106621	\$203	Patient interface
Nuance and Nuance Pro (all sizes and models)			
Mask and headgear	1105160, 1105167	\$109	Patient interface
Mask only	1106194, 1106195	\$72	Patient interface
Pico (all sizes and models)			
Mask fitpack with headgear	1104940	\$109	Patient interface
Mask and headgear	1104915, 1104916, 1104917	\$109	Patient interface
Mask only	1104918, 1104919, 1104920	\$72	Patient interface
Wisp (all sizes and models)			
Mask and headgear	1094051, 1094050	\$109	Patient interface
Mask only	1094056, 1094055	\$72	Patient interface

CAUTION: US federal law restricts these devices to sale by or on the order of a physician.

Home Respiratory MAP products	Part number	Product MAP	Product category
EverFlo Stationary Oxygen Concentrator			
EverFlo 5L concentrator	1020000	\$895	Home respiratory
EverFlo 5L concentrator with oxygen percentage indicator (OPI)	1020001	\$995	Home respiratory
EverFlo Q Stationary Oxygen Concentrator			
EverFlo Q oxygen concentrator	1020015	\$1,295	Home respiratory
EverFlo Q oxygen concentrator with OPI	1020014	\$1,395	Home respiratory
SimplyGo Portable Oxygen Concentrator			
SimplyGo portable oxygen concentrator	1068987	\$2,995	Home respiratory
SimplyGo Lithium Ion battery	1082662	\$225	Home respiratory
SimplyFlo Stationary Oxygen Concentrator			
SimplyFlo device (includes AC power cord and manual)	1076773	\$1,995	Home respiratory
EverFlo/SimplyGo Concentrator packages			
$\label{prop:concentrator} \mbox{EverFlo concentrator non-OPI with SimplyGo portable concentrator}$	1097735	\$3,890	Home respiratory
EverFlo concentrator OPI with SimplyGo portable concentrator	1097736	\$3,990	Home respiratory
EverFlo Q concentrator non-OPI with SimplyGo portable concentrator	1098068	\$4,290	Home respiratory
EverFlo Q concentrator OPI with SimplyGo portable concentrator	1097737	\$4,390	Home respiratory
GO ₂ Oximeter			
GO ₂ Finger Oximeter	1062232	\$99	Home respiratory
CoughAssist			
CoughAssist T70	1098160	\$4600	Home respiratory

CAUTION: US federal law restricts these devices to sale by or on the order of a physician.

The following SHR products cannot appear in advertisements online

		Product category
BiPAP AVAPS	DS1160S	Home respiratory
BiPAP AVAPS, C series and SD card	DS1160HS	Home respiratory
BiPAP AVAPS, C series and SD card, Heated Tube	DS1160TS	Home respiratory
BiPAP S/T, C series	DS1060S	Home respiratory
BiPAP S/T, C series, core package	DS1060HS	Home respiratory
BiPAP S/T, C series, core package, Heated Tube	DS1060TS	Home respiratory
Trilogy	1054260, 1040005	Home respiratory
EverFlo 120V, transfill	1039362	Home respiratory
EverFlo 120V OPI, transfill	1039363	Home respiratory
EverFlo Q 120V, transfill	1039365	Home respiratory
EverFlo Q 120V OPI, transfill	1039364	Home respiratory
EverGo 1-battery standalone, black case	900-000-01	Home respiratory
UltraFill station 120V	1057100	Home respiratory
UltraFill system with 2 cylinders, 2,000 or 3000 psi and a cylinder bag, 120V	1074932	Home respiratory
Wireless modem	100200C	CPAP

 ${\sf CAUTION: US\ federal\ law\ restricts\ these\ devices\ to\ sale\ by\ or\ on\ the\ order\ of\ a\ physician.}$

Sleep therapy accessories	Part number	Product MAP	Product category
Amara Silicone cushions	T are marriser	T T Oddec T TAI	Troduct category
Petite Silicone cushion	1090290	\$45	Accessories
Small Silicone cushion	1090292	\$45	Accessories
Medium Silicone cushion	1090293	\$45	Accessories
Large Silicone cushion	1090294	\$45	Accessories
Amara Gel cushions	1070271	ΨΙΟ	Accessories
Petite Gel cushion	1090490	\$45	Accessories
Small Gel cushion	1090492	\$45	Accessories
Medium Gel cushion	1090493	\$45	Accessories
Large Gel cushion	1090494	\$45	Accessories
Amara Silicone/Gel headgear	1070474	ψτο	Accessories
Amara headgear, reduced size	1090296	\$29.95	Accessories
-	1090297		Accessories
Amara headgear, standard Amara frame, reduced size		\$29.95	
	1090288	\$49.95	Accessories
Amara frame, standard size	1090289	\$49.95	Accessories
Nuance accessories	4405472	405	
Small cushions	1105173	\$25	Accessories
Medium cushions	1105174	\$25	Accessories
Large cushions	1105175	\$25	Accessories
Nuance headgear	1105176	\$36	Accessories
Nuance fabric frame, reduced size	1105405	\$30	Accessories
Nuance fabric frame	1105177	\$30	Accessories
Nuance Pro headgear	1105178	\$36	Accessories
Nuance/Nuance Pro swivel tube with exhalation	1105180	\$40	Accessories
Pico accessories			
Pico headgear	1104934	\$36.99	Accessories
Pico headgear, reduced size	1104935	\$36.99	Accessories
Small/medium nasal cushion	1104936	\$38.99	Accessories
Large nasal cushion	1104937	\$38.99	Accessories
Extra large nasal cushion	1104938	\$38.99	Accessories
Wisp accessories			
Petite cushions	1094086	\$38.99	Accessories
Small/medium cushions	1094087	\$38.99	Accessories
Large cushion	1094088	\$38.99	Accessories
Headgear	1094082	\$36.99	Accessories
Headgear, large	1094078	\$36.99	Accessories
Clear frame	1094080	\$30	Accessories
Fabric frame	1094081	\$30	Accessories
Tubing (elbow/tube/swivel)	1105624	\$40	Accessories
Tubing			
System One Heated Tube	SYS1HT15	\$52	Accessories
PAP travel briefcase			
PAP travel briefcase	1114784	\$89	Accessories
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 $\label{eq:CAUTION:US} \textbf{CAUTION:} \textbf{US} \textbf{ federal law restricts these devices to sale by or on the order of a physician.}$

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