

LAUFEN Bathrooms North America has unilaterally adopted this Unilateral Minimum Price Policy ("UMPP") for all LAUFEN Bathrooms Authorized Dealers. This UMPP concerns minimum advertising and resale pricing only. All other terms and conditions of sale, including acceptance requirements and credit terms applicable to the Authorized Dealer, remain in effect. **PLEASE REVIEW THIS UMPP CAREFULLY AND COMMUNICATE IT TO ALL INDIVIDUALS WITHIN YOUR ORGANIZATION. IT GOVERNS CERTAIN CONDITIONS OF SALE FOR FUTURE ORDERS.**

1. No LAUFEN Bathrooms product should be advertised at a price more than 20% off the published list price (the "Minimum Advertised Price") as stated in the current LAUFEN Bathrooms Price List, unless the product has been specifically excluded by LAUFEN Bathrooms from this UMPP.
 2. No LAUFEN Bathrooms product should be quoted or sold at a price more than 30% off the published list price (the "Designated Minimum Selling Price") as stated in the current LAUFEN Bathrooms Price List, unless the product has been specifically excluded by LAUFEN Bathrooms from this UMPP.
 3. This UMPP applies to new, unused and undamaged LAUFEN Bathrooms products listed in the current LAUFEN Bathrooms Price List. Of course, alteration of or damage to a product to avoid the UMPP is considered a violation of the UMPP.
 4. This UMPP applies to advertised prices, quoted prices, and selling prices, as these terms are defined below:
 - An "advertised price" is the price that an Authorized Dealer advertises for a LAUFEN Bathrooms product in Dealer-initiated media messages. This includes print, radio, television, direct mail advertising, outdoor advertising, Internet web pages, Internet advertising, and other media.
 - A "selling price" is the price that a customer pays an Authorized Dealer for a LAUFEN Bathrooms product, inclusive of all discounts and other consideration offered customers including but not limited to free freight, tax exclusion, or rebates. "Other considerations" are valued at the greater of their actual cost or 10% of the list price in the current price list.
 - A "quoted price" is the price that a Authorized Dealer quotes to a customer for a LAUFEN Bathrooms product inclusive of all discounts and other consideration offered customers including but not limited to free freight, tax exclusion, or rebates. "Other considerations" are valued at the greater of their actual cost or 10% of the list price in the current price list. This applies in all situations, whether the inquiry or quote was transmitted orally, by telephone, e-mail, internet, or by regular mail.
 5. Advertising, quoting, or selling LAUFEN Bathrooms products at a price below the applicable Minimum Advertised Price or Designated Minimum Selling Price may result in LAUFEN Bathrooms' refusal to accept new orders for LAUFEN Bathrooms products and termination of your status as a LAUFEN Bathrooms Authorized Dealer.
 6. LAUFEN Bathrooms Price Lists will be provided on a regular basis. LAUFEN Bathrooms may change any Designated Minimum Selling Price in its discretion at any time. Such changes will be provided in a timely manner and clearly dated to minimize any potential misunderstandings.
 7. This UMPP only concerns the pricing of LAUFEN Bathrooms products. All other terms and conditions of sale remain in effect.
 8. LAUFEN Bathrooms has unilaterally created certain limited exceptions to this UMPP. The selling prices for the following categories of sales, as well as any price quotes to individual customers associated with such sale, are not subject to this UMPP:
 - a. **Contract Sales:** Sales of LAUFEN Bathrooms products under a commercial contract to companies or entities such as hotels, restaurants, commercial buildings, and multi-family housing units.
 - b. **Volume Sales and Registered Quotes:** Resale of specially priced volume orders and registered quotes for builder/ contractor projects that have been formally issued by LAUFEN Bathrooms for the purpose of bidding/ selling a builder/ contractor project.
 - c. **Sales of floor samples, returned items, or otherwise used items.**
 - d. **Sales of products discontinued by LAUFEN Bathrooms.**
 - e. **Sales to Authorized Dealer employees for their personal use:** Sales of LAUFEN Bathrooms products to Authorized Dealer employees under an employee purchase program and for the employee's personal use.
 - f. **Sales to other Authorized Dealers:** The re-distribution of LAUFEN Bathrooms products from one LAUFEN Bathrooms Authorized Dealer to another LAUFEN Bathrooms Authorized Dealer.
 - g. **Excluded Products:** Products specifically excluded from this UMPP in writing by LAUFEN Bathrooms
 - h. **Accommodation Samples or Gifts:** Samples of LAUFEN Bathrooms products given to potential Authorized Dealers or trade professionals for bona fide promotional events such as showroom openings or for evaluation purposes.
 - i. **LAUFEN Pro Product Range:** Sales of any products in the LAUFEN Pro bathroom product range.
- Selling prices and price quotes to individual customers that fall within one of the exceptions listed in a – i above are not subject to this UMPP. If an Authorized Dealer is unable to document or independently demonstrate that a selling price or a price quote falls within an exception, a violation of this UMPP will be presumed.
9. LAUFEN Bathrooms will consider situations involving possible violations of this UMPP on a case-by-case basis. An Authorized Dealer will be notified in writing if it has violated this UMPP. Any determination to discontinue the supply of LAUFEN Bathrooms products will apply to the Dealer at all locations. Such determinations are not subject to appeal; however, LAUFEN Bathrooms may in its discretion decide to review the status of a discontinued Dealer after an independently determined period of time.
 10. Only LAUFEN Bathrooms can make determinations regarding violations and enforcement of this UMPP. LAUFEN Bathrooms employees are not permitted to discuss such matters with any Authorized Dealer.
 11. LAUFEN Bathrooms is implementing this UMPP unilaterally as its own policy and in accordance with its right to choose the Authorized Dealers with which it wishes to do business. Authorized Dealers are not being asked or required to agree with any aspect of this UMPP, and this UMPP does not in any way restrict the freedom of Authorized Dealers to determine the manner in which they will advertise, quote, or sell LAUFEN Bathrooms products.
 12. This UMPP does not constitute or give rise to an agreement of any kind between LAUFEN Bathrooms and any Authorized Dealer regarding the resale price of LAUFEN Bathrooms products, and LAUFEN Bathrooms will not seek or accept any such agreement. Authorized Dealers remain free to determine if they wish to comply with this UMPP; however, compliance is a requirement for an Authorized Dealer to be eligible for uninterrupted supply of LAUFEN Bathrooms products. Just as an Authorized Dealer may cease purchasing LAUFEN Bathrooms products at any time and for any reason, LAUFEN Bathrooms reserves its right to cease doing business with any Authorized Dealer at any time and for any reason, including for violation of this UMPP.
 13. This UMPP is effective beginning March 1, 2012 and will remain in effect until further written notice from LAUFEN Bathrooms. LAUFEN Bathrooms reserves the right to terminate or amend this UMPP in its sole discretion at any time without prior notice.