



January 29, 2014

Dear Baldwin Reseller,

You have received this information because you have been identified as a reseller of Baldwin Hardware products. Baldwin Hardware adopted a MAP Policy to preserve its strong reputation for providing customers with high value products and strong after-sales support.

Our products are an important part of growing a high-quality brand in addition to maintaining price points that reflect Baldwin's value. Baldwin Hardware has adjusted the MAP Policy that is designed to: 1) prevent the erosion of our Products' value, and 2) encourage and enable our Dealers to provide customers the shopping experience and service they expect. Baldwin Hardware reserves the right to change the products and prices covered by the Minimum Advertised Price Policies at any time upon notice to its resellers.

The recent changes to the Minimum Advertised Price Policy are highlighted below and effective March 31, 2015. Advertised prices below these thresholds will be considered a violation of Baldwin's MAP Policy

- Baldwin Estate Handlesets are subject to a MAPP Price of **30%** below list price.
- Baldwin Estate Pre-Configured products are subject to MAPP Price of **30%** below list price.
- Baldwin Estate Hinge products are subject to MAPP Price of 30% below list price

Please review the details of the policy in the enclosed document.

Sincerely,

Baldwin Hardware



SPECTRUM BRANDS'
MINIMUM ADVERTISED PRICE (MAP) POLICY

Effective March 1, 2015, Baldwin Hardware ("Baldwin Hardware"), a member of the Spectrum Brands family of companies, will unilaterally adopt a Minimum Advertised Price Policy ("MAP Policy") on certain products (the "Products" identified on attached Exhibit "A") which shall apply to distributors and retailers, including catalog and internet retailers (collectively, "Resellers") who resell the Products to end users located in the United States. Baldwin Hardware is adopting this MAP Policy to preserve its strong reputation for providing customers with high value products and strong after-sales support.

An important part of growing a high-quality brand, such as Products, is maintaining price points that reflect our Products' true value. Therefore, Baldwin Hardware has implemented a MAP Policy that is designed to: 1) prevent the erosion of our Products' perceived value, and 2) encourage and enable our Dealers to provide customers the shopping experience and service they expect.

Baldwin Hardware believes that its MAP Policy will not only encourage resellers to promote and invest in properly positioning its products, but will also help in establishing the long-term value of the product brand in customers' minds. Baldwin Hardware has also adopted its MAP Policy to protect its resellers from "Free Riders," that is distributors that may try to sell Products without promoting the sale of these products or providing appropriate customer service to consumers.

This policy in no way affects the ability of the Dealer to determine the actual retail price for products they sell.

Baldwin Hardware's MAP Policy will operate under the following terms and conditions:

1. The MAP Policy shall apply to those Products listed in the MAP price list attached as Exhibit "A" to this document. The MAP Policy for the Products shall be listed on each Baldwin Hardware price sheet/sell sheet for dealers and distributors. MAP pricing is established by Baldwin Hardware and may be adjusted at the sole discretion of Baldwin Hardware.
2. The MAP Policy applies to all advertisements of the Products in any and all media, including, without limitation, flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, mail order catalogs, Internet or similar electronic media including websites, email newsletters, email solicitations, television, radio, and public signage.
3. The MAP Policy is not applicable to any in-store advertising that is displayed only in the store and not distributed to any customer. In-store displays, point-of-sale signs, hangtags or bar codes or similar marks on products or product packaging which merely state the price are not considered "advertising" for purposes of this MAP Policy. In that regard, this MAP Policy does not apply to the actual sales price on any "check-out page" of any Reseller's website or related internet site (typically the page at which the end user finally purchases the product).

4. Except as set forth in section 3 above, if pricing is displayed on advertisements for the Products, any strike-through or other alteration of the Minimum Advertised Price is prohibited. Where Baldwin Hardware sponsors any rebate or coupon on any Product, advertising the said Product without making reference to the rebate or coupon is a violation. Where Baldwin Hardware sponsors a rebate or coupon on any Product, advertising the said Product at a price less than the MAP price minus the value of the rebate coupon is a violation. Advertising any Product in conjunction with any non-Baldwin Hardware sponsored program (e.g., rebate, coupon, or credit for used product) at a price that reduces the advertised price to less than the MAP price is a violation.
5. **The MAP Policy applies only to advertised prices and does not apply to the price at which the Products are actually sold or offered for sale to an individual consumer within the Reseller's retail location, on the internet or over the telephone.**
6. The MAP Policy does not establish maximum advertised prices. All Resellers may advertise the Products at any price in excess of the MAP established price for such Products.
7. The MAP Policy does not in any way limit the ability of any Reseller to advertise that "they have the lowest prices" or, they "will meet or beat any competitor's price," that consumers should "call for a price" or phrases of similar import as long as the price advertised or listed for the Products is not less than MAP.
8. Periodically, Baldwin Hardware may initiate promotions for the Products because, for example, the Products are being discontinued or because they are new product introductions. In such events, Baldwin Hardware reserves the right to modify or suspend the MAP Policy with respect to the affected Product(s) by notifying all Resellers of such a change. Baldwin Hardware further reserves the right to adjust the MAP Policy price with respect to all or certain Products at its sole discretion upon seven (7) days advance written notice to Resellers, provided that such changes shall apply equally to all Resellers.

In the event there is a violation of the MAP Policy, Baldwin Hardware will take the following actions:

First Violation. Should a Dealer violate the MAP Policy, Baldwin Hardware will immediately: (a) notify the Dealer in writing of the violation; (b) suspend all discounts and, if any, co-op fund support payments to Dealer; and/or (c) cease supplying products to Dealer for fourteen (14) days.

Second Violation. Should a Dealer commit a second violation or fail to cure prior violations, Baldwin Hardware will cease supplying products to Dealer for thirty (30) days.

Third Violation. Should a Dealer commit a third violation or fail to cure prior violations, Baldwin Hardware will cease supplying products to Dealer for one (1) year and all of Dealer's unpaid balances outstanding to Baldwin Hardware shall become immediately due and payable.

Baldwin Hardware reserves the right, in its sole discretion, to determine all violations of its MAP Policy.

Dealers who provide Products to persons or entities who resell the Products, are responsible for ensuring that those persons and entities' advertising complies with the MAP Policy.



Dealers who continue to provide products to persons or entities that are known to disregard the MAP Policy will be considered in violation of this Policy. Distributors of the Products will supply a copy of Baldwin Hardware's MINIMUM ADVERTISED PRICE POLICY to any new or existing retail Reseller to whom they provide Products.

No employee or sales representative of Baldwin Hardware has any authority to discuss or modify this MAP Policy and any action of any person that claims to modify this policy or to solicit or obtain the agreement of any person to this MAP Policy is unauthorized and invalid. Any questions about this MAP Policy should be in writing and directed to Baldwin Hardware, Nick Kruse, Vice-President of Sales, Spectrum Brands, 19701 Da Vinci, Lake Forest, California 92610 or baldwin.mapp@spectrumhhi.com, who will respond in writing. No oral communications about this MAP Policy are permitted. The foregoing MAP Policy and any Product listing is subject to modification or discontinuance at any time and at the sole discretion of Baldwin Hardware. Any action taken by Baldwin Hardware under this policy shall be without liability to Baldwin Hardware.

Please indicate your receipt of this MAP Policy by signing and listing the name of your company below. This MAP Policy is unilateral and does not require your signature for implementation. Nothing in this MAP Policy shall constitute an agreement between Baldwin Hardware and any Reseller that the Reseller will comply with this policy.

Date:

Company:

Address:

Authorized Representative:

If a particular Baldwin Hardware product does not appear on the attached Exhibit "A", then there is no minimum advertised price for the product. This policy is effective beginning on March 1, 2015.

Sincerely,

Baldwin Hardware

Exhibit_A:

Minimum Advertised Price List

MAPP PRODUCT

Except where noted, all:

- Baldwin Estate Handlesets are subject to a MAPP Price of **30%** below list price.
- Baldwin Estate Pre-Configured products are subject to MAPP Price of **30%** below list price.
- Baldwin Estate Hinge products are subject to MAPP Price of **30%** below list price.
- Also excluded are all special product promotions by Baldwin Hardware, and all Excess and Obsolete (Discontinued) product. Once a product has been formally discontinued by Baldwin Hardware, it is no longer subject to MAPP.
- Baldwin Hardware may change the products and MAPP prices at any time

