

## **GROHE UNILATERAL MINIMUM ADVERTISED PRICE (UMAP) POLICY** **Effective: June 1, 2017**

### **1. Introduction**

Grohe Americas, Inc., a LIXIL Water Technology Americas company (hereinafter "GROHE") is proud of its reputation for and leadership role in bringing competitively priced, premium, high-quality and luxury designs, materials, innovations, and technologies to the plumbing fittings and fixtures marketplace. That reputation is GROHE's most valuable asset. GROHE works cooperatively and actively to support the advertising, promotion, and selling of its products by its Resellers utilizing its own intellectual properties and assets at no incremental cost to its Reseller network. This US Unilateral Minimum Advertised Price Policy (hereinafter "UMAP Policy") is intended to preserve and enhance the brand image and value of GROHE products to purchasers, and to encourage Reseller services and marketing efforts in connection with GROHE branded products. This UMAP Policy applies to all Authorized US Resellers of GROHE products, including but not limited to all Retail, Etail, Supply House, Distributor, Redistributor, Buy Sell, MRO, Dealer, Liquidator, Luxury, and Exporter Resellers (hereinafter collectively "Resellers").

### **2. Unilateral Nature of UMAP Policy – Participation is Voluntary**

Each Reseller is free to decide independently whether or not to follow this UMAP Policy. All Resellers remain free to sell the products covered by this UMAP Policy at any price they choose and at their sole and absolute discretion.

**This is a unilaterally adopted policy from GROHE, and is not an agreement or an offer to form an agreement. GROHE is not requesting, and will not accept, any agreement regarding resale prices or a Reseller's compliance with this UMAP Policy. GROHE reserves the unilateral right, in its sole and absolute discretion, to refuse purchase orders for UMAP products, not provide project quotes or promotional programs, and/or discontinue doing business with or supplying any and/or all products to any Reseller that chooses not to comply with this UMAP Policy.**

GROHE representatives are strictly prohibited from negotiating any aspect of this UMAP Policy with any Reseller. It is GROHE's policy not to modify this UMAP Policy or its applications based upon discussions with any of our Resellers or their employees. **It is also GROHE's policy not to discuss complaints of one Reseller concerning the pricing policies of another Reseller. GROHE makes its own determinations in unilaterally enforcing its UMAP Policy.** Resellers should address any and all questions regarding this UMAP Policy, **excluding customer and competitive compliance activity**, by sending an email to **UMAPPolicyQuestions@lixilamericas.com**.

This UMAP Policy is subject to revision, amendment, or discontinuance at any time. GROHE will notify its Resellers of any UMAP Policy changes. This UMAP Policy replaces and supersedes any prior GROHE UMAP Policies in the US. This UMAP Policy is in addition to, and separate from, all other GROHE policies.

### **3. GROHE US Advertising Guidelines**

This UMAP Policy applies to any advertising or promotion by Resellers, including but not limited to the following:

- a. Print advertising placements including but not limited to inserts, coupons, mailers, catalogs, magazines, newspapers, brochures or flyers;
- b. Outdoor Advertising including but not limited to billboards, banners, or posters;

- c. Broadcast (TV, radio, cable, satellite, or streaming media);
- d. Fax communications, except in response to a quote request from an individual customer;
- e. Internet placements including but not limited to sponsored search engine listings, social networks, banner ads, broadcast e-mails, landing/destination pages, or third party sites;
- f. Website features such as "click for price," automated "bounce back" pricing emails, pre-formatted email responses, forms and automatic price display for any items prior to being placed in a customer's online shopping cart, and other similar features;
- g. e-Stores, e-Retailers, and/or other e-Commerce market places including but not limited to eBay, Amazon, Google, Houzz, Jet.com, Nextag, Rakuten, Shopzilla, Sears, Walmart and all other third-party sites on which Resellers advertise or promote GROHE products; and
- h. Authorized Online e-Commerce Reseller sites which advertise or promote GROHE products.

#### 4. Advertising GROHE Prices

- a. **Advertised Prices:** Resellers are not required to list prices in offline or online advertising. However, if a price is listed, no Reseller may advertise specific designs of GROHE product at a discount in excess of the pricing listed within the GROHE UMAP Applicable Model Price List.

*Note: most items are generally 30% off GROHE's current published list price/MSRP [Manufacturers Suggested Retail Price]. Again, please check the GROHE UMAP Applicable Model Price List for specific item minimum advertised pricing allowed.*

*Below are examples of both UMAP Policy Compliant and Non-Compliant advertising, all based on products with a List/MSRP of \$699.99:*

##### Examples are Compliant with UMAP Policy

<b>List/MSRP: 699.99, UMAP is \$489.99</b>
<b>Model: 654321 - Grohe</b>
Price from ResellerX.com
<b>Online Price: \$489.99</b>
<b>List Price/MSRP: \$699.99</b>

##### Examples are Non-Compliant with UMAP Policy

<b>List/MSRP: 699.99, UMAP is \$489.99</b>
<b>Model: 654321 - Grohe</b>
Price from ResellerZ.com
<b>Online Price: \$454.99</b>
<b>List Price/MSRP: \$699.99</b>

- b. **No Maximum Prices:** GROHE does not establish maximum advertised prices, and Resellers may advertise GROHE products at any price in excess of the price established by this UMAP Policy.
- c. **No Price Required:** This UMAP Policy allows Resellers to omit pricing from their advertisements and include statements such as "call for price", "call for more information," or "call for quote."

*Below are examples of allowed and not allowed advertising according to the No Price Required policy:*

##### Allowed

<b>Model: 654321 - Grohe</b>
Price from ResellerX.com
<b>Price: Call for Price</b>

##### Not Allowed

<b>Model: 654321 - Grohe</b>
Price from ResellerZ.com
<b>List Price/MSRP: \$699.99</b>
<b>Our Price: \$489.99</b>
<b>Call for Price</b>

- d. **Discontinued Products:** This UMAP Policy does not apply to products discontinued by GROHE.
- e. **Price Mark-outs and/or "Specials":** This UMAP Policy does not apply to GROHE products with marked-out or special pricing. In order to qualify as marked-out or special pricing, the advertisement or promotion must include a statement of the reason for the marked-out or special pricing. The only acceptable reasons for marked-out and/or special pricing are:
  - i. Returned Product
  - ii. Refurbished Product
  - iii. Used Product
  - iv. Inventory Reduction

**Note:** If a Reseller advertises "Inventory Reduction" pricing, GROHE will assume that the Reseller no longer intends to sell that product, and therefore GROHE will not sell that particular product to the Reseller in the future.
- f. **Free and Reduced Cost:** Free shipping and/or handling, 0% tax, free financing or free promotional items do not violate this UMAP Policy. Reduced charges also are permissible for these items.
- g. **Going Out of Business:** This UMAP Policy does not apply to documented going out of business, liquidation, or bankruptcy related sales.
- h. **Selling Prices:** Resellers remain free to establish their own selling prices in their sole and absolute discretion.
- i. **Storewide Coupons and Storewide Promotions:** ALL storewide coupons and promotions that net the final price of an GROHE product below the advertised price set forth in this UMAP Policy must be authorized by GROHE. Only authorized storewide coupons or promotions can bring the final price of a GROHE product below the advertised price set forth in this UMAP Policy.

## 5. Monitoring

GROHE may, in its sole and absolute discretion, contract with one or more third parties to monitor advertising for purposes of this UMAP Policy.

## 6. Final Note

It is the responsibility of your organization to ensure that all personnel have a clear understanding of all published policies of GROHE, which include terms of this UMAP Policy.