

## **hansgrohe® Brand Minimum Advertised Price (MAP) Policy**

To: All hansgrohe® Brand USA Wholesalers, Retailers, Showrooms, Distributors, Kitchen and Bath Dealers, hansgrohe® Authorized Online Resellers, and hansgrohe® Certified Online Resellers

### **Re: hansgrohe® Brand Minimum Advertised Price Policy**

Date: January 1, 2018

Hansgrohe, Inc. is committed to protecting and maintaining its highly regarded brands and reputation for excellence. Its products are unparalleled, featuring superior engineering, technology, and progressive design. As part of this continued commitment, Hansgrohe, Inc. has adopted a Minimum Advertised Price Policy (“Policy”) for all hansgrohe Brand MAP Covered Products listed in the then-current hansgrohe Price Book and Price Book File (the “MAP Covered Products”). This Policy is effective January 1, 2018 and applies to all advertisements of the MAP Covered Products (including, without limitation, print, radio, billboard, television, retailer or other websites, shopping engines, online marketplaces, and electronic media) by Hansgrohe, Inc.’s hansgrohe Brand USA Wholesalers, Retailers, Showrooms, Distributors, Kitchen and Bath Dealers, hansgrohe Authorized Online Resellers, and hansgrohe Certified Online Resellers (each, a “hansgrohe Reseller”).

In furtherance of this commitment, Hansgrohe, Inc. has adopted the following Policy:

1. A hansgrohe Reseller shall not advertise the MAP Covered Products at a price lower than the then-current Minimum Advertised Price established by Hansgrohe, Inc. for the particular MAP Covered Product.
2. No MAP Covered Products may appear at a consumer advertised price lower than the then-current Minimum Advertised Price established by Hansgrohe, Inc. for the particular MAP Covered Product. The Minimum Advertised Price as of the effective date of this Policy is 35% off the then-current hansgrohe Price Book and Price Book File (the “List Price”).
3. For purposes of this Policy, the consumer advertised price is the net price that results from the application of any advertised coupons, giveaways, rebates, discounts, or other consideration provided in connection with the advertised price.
4. hansgrohe Resellers must convey the terms of this Policy to all of their customers that are resellers of the MAP Covered Products. hansgrohe Resellers shall not sell any of the MAP Covered Products to any person or entity that it knows or reasonably expects will advertise

the MAP Covered Products in any medium at a price lower than the Minimum Advertised Price established by Hansgrohe, Inc.

5. Consequences for violation of this Policy are as follows:
  - a) First Violation: Written Warning (may be via email)
  - b) Second Violation: Second Written Warning (may be via email)
  - c) Third Violation: Hansgrohe, Inc. will refuse orders for hansgrohe branded MAP Covered Products from such hansgrohe Reseller for a period of 7 days.
  - d) Fourth Violation: Hansgrohe, Inc. will refuse orders for hansgrohe branded MAP Covered Products from such hansgrohe Reseller for a period of 30 days.
  - e) Fifth Violation: Hansgrohe, Inc. reserves the right, in its sole discretion, to suspend the hansgrohe Reseller's purchasing status indefinitely or terminate the hansgrohe Reseller relationship.

Notwithstanding the foregoing, after a first violation, a failure to comply with this Policy will not be treated as a subsequent violation unless it occurs (or continues) more than 72 hours after a previous violation, and any violation of this Policy that occurs more than 12 months before the most recent violation will no longer be considered a violation for purposes of calculating the appropriate level of consequence.

6. This Policy shall not apply to MAP Covered Products that are designated as obsolete, discontinued, phase out or promotional by Hansgrohe, Inc. in its sole discretion. Hansgrohe, Inc. reserves the right, in its sole discretion, to change the Minimum Advertised Price generally, or with respect to certain MAP Covered Products and, if it does so, it will provide all hansgrohe Resellers with notice of such change at least 30 days in advance. On a limited or infrequent basis, holiday or other short-term promotion exceptions may be approved in advance by Hansgrohe Inc., in its sole discretion. Each hansgrohe Reseller is free, in its sole discretion, to set its own shipping charges and actual selling prices of MAP Covered Products and to establish its own advertising policies.

Hansgrohe, Inc. has adopted this Policy unilaterally in furtherance of its independent business strategy for its hansgrohe Brand. Each hansgrohe Reseller is free to decide independently whether to follow this Policy.

No Hansgrohe, Inc. employee or representative is authorized to modify or change this Policy for any particular hansgrohe Reseller. Hansgrohe, Inc. alone will implement, interpret, and

enforce this Policy in its sole discretion and independent judgment. Hansgrohe, Inc. does not expect, and will not accept, any assistance from or agreement with any hansgrohe Reseller about this Policy or its implementation, interpretation, or enforcement.

Please make sure that all appropriate people in your organization receive a copy of this Policy.

Hansgrohe, Inc. may amend or discontinue this Policy at any time and will notify all hansgrohe Resellers of any such amendment or discontinuation. This Policy is in addition to and separate from all other Hansgrohe, Inc. policies.

Thank you for your continued support of Hansgrohe, Inc., its brands, and products.