



DESIGNS | TODAY'S FASHION IN HANDLES AND KNOBS

OCTOBER 16, 2006

TO: ALL SIRO CUSTOMERS

FROM: JUERGEN SIKORA, PRESIDENT

RE: MINIMUM ADVERTISED PRICE POLICY

As a result of my original letter mailed earlier in June (copy attached) many customers expressed their concern to me that the policy is too restrictive. So, after further consideration of our mutual objectives and review of all the feedback I received, I agree to revise the policy as follows: Effective November 1, 2006 Siro products may not be advertised for less than 80% of the retail list prices stipulated in our current price list. Put differently, advertised discounts may not exceed 20% off our current retail price list.

This policy is now final and applies to all known advertising media as outlined in my June letter. I would like to repeat that in order to maintain the integrity of our brand and provide a level marketing environment for all customers this policy is necessary and will be strictly enforced. Your respect for and compliance with the minimum advertised price policy will be a testimony to the integrity of our relationship for which I thank you.

If you have any questions please direct them to me only.

Sincerely,

SIRO®

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