

UMAP 2016

2016 UNILATERAL MINIMUM ADVERTISED PRICE POLICY (UMAP)

Effective April 15th, 2016.

As of April 15th, 2016 LIXIL WATER TECHNOLOGY AMERICAS will bring together three brands – American Standard, DXV and GROHE, under one company.

The Policy is implemented in order for LIXIL WATER TECHNOLOGY AMERICAS to cause American Standard, Grohe and DXV branded products to better compete in the market. In particular, LIXIL WATER TECHNOLOGY AMERICAS has determined that adoption of the Policy is a necessary component of its strategy to avoid distribution channel conflicts and to ensure that LIXIL WATER TECHNOLOGY AMERICAS lines of products are supported with appropriate marketing and channel support that is representative of these brands. LIXIL WATER TECHNOLOGY AMERICAS actively supports the advertising, promotion and selling of its quality American Standard and GROHE products by its distributors with marketing support materials at no extra cost. Under no circumstances is the sale of DXV products by any online seller approved. LIXIL WATER TECHNOLOGY AMERICAS will not support advertising or promotional materials through offline and/or online media that could diminish the value of the LIXIL WATER TECHNOLOGY brands.

Effective April 15th, 2016, LIXIL WATER TECHNOLOGY AMERICAS has modified its Unilateral Minimum Advertised Price Program (“UMAP”). This program applies to: 1) U.S. LIXIL WATER TECHNOLOGY stocking distributors that advertise prices of LIXIL WATER TECHNOLOGY brand products offline and/or online and/or that sell to: 2) Authorized Online Re-Sellers that purchase LIXIL WATER TECHNOLOGY brand products from LIXIL WATER TECHNOLOGY authorized stocking distributors and/or direct from LWTA and resell LIXIL WATER TECHNOLOGY brand products to end users either offline and/or online.

Each Reseller is free to decide independently whether or not to follow the Policy. All Re-sellers of LIXIL WATER TECHNOLOGY AMERICAS PRODUCTS remain free to sell the Covered Products at any price they choose in their sole and absolute discretion.

No LIXIL WATER TECHNOLOGY AMERICAS employee or representative has been or will be authorized to modify or change this Policy for any particular advertiser. LIXIL WATER TECHNOLOGY AMERICAS alone will implement, interpret and enforce this Policy in its own independent judgment. Please make sure that all appropriate people in your organization receive a copy of this Policy. LIXIL WATER TECHNOLOGY AMERICAS may amend or discontinue this Policy at any time, and we will notify you of any such amendment or discontinuation. This Policy is in addition to and separate from all other LIXIL WATER TECHNOLOGY AMERICAS policies.

LIXIL WATER TECHNOLOGY UNILATERAL MINIMUM ADVERTISED PRICE PROGRAM (UMAP)

1. UMAP SCOPE

LIXIL WATER TECHNOLOGY's UMAP applies to any media advertising and promotions by distributors and their customers, as well as internet re-sellers:

- a. Print advertising placements including inserts, coupons, mailers, catalogs, magazines, newspapers, brochures, etc.
- b. Outdoor Advertising including billboards, banners, posters, etc.
- c. Broadcast (TV, radio);
- d. Fax communications intended to reach multiple individuals;
- e. Internet placements including search engines, social networks, banner ads, broadcast e-mails, landing pages, third party `sites, etc.;
- 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. eStores and/or online market places including eBay, Amazon, Nextag, Shopzilla, Rakuten, jet.com and all other third-party sites on which distributors and Authorized Online Re-Sellers advertise or promote LIXIL WATER TECHNOLOGY products; and
- h. LIXIL WATER TECHNOLOGY Authorized Online Re-Seller sites which advertise or promote LIXIL WATER TECHNOLOGY products.

2. SALES THROUGH AUTHORIZED SITES ONLY

For online sales and advertising, distributor or Authorized Online Re-Seller is authorized to advertise and sell LIXIL WATER TECHNOLOGY brand products only on distributor's or Authorized Online Re-Seller's designated website(s) which have been approved by LIXIL WATER TECHNOLOGY. Distributor or re-seller is not authorized to sell LIXIL WATER TECHNOLOGY brand products through third- party marketplaces (like Amazon & eBay marketplaces) unless separately approved by LIXIL WATER TECHNOLOGY. Reference the authorized re-seller list per brand.

3. ADVERTISING PRICES

- a. **Advertised Prices:** Distributors are not required to list prices in offline or online media. However, if a price is listed, no distributor may advertise specific designs [see UMAP Applicable Model List] of LIXIL WATER TECHNOLOGY product at a discount in excess of 30% GROHE off of the current published list price and 35% off American Standard current published list price.

- b. No Maximum Prices:** LIXIL WATER TECHNOLOGY AMERICAS, Inc. does not establish maximum advertised prices, and distributors may advertise LIXIL WATER TECHNOLOGY products at any price in excess of the price established by the UMAP.
- c. No Price Required:** LIXIL WATER TECHNOLOGY's UMAP allows distributors to omit pricing from their advertisements and include statements such as "call for price", "call for more information," or "call for quote."
- d. Discontinued Products:** LIXIL WATER TECHNOLOGY's UMAP does not apply to products discontinued by LIXIL WATER TECHNOLOGY.
- e. Price Mark-outs and/or "Specials":** LIXIL WATER TECHNOLOGY's UMAP does not apply to 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:
1. Returned product
 2. Refurbished product
 3. Inventory reduction
- f.** If a distributor states "Inventory reduction" pricing LIXIL WATER TECHNOLOGY will assume that the distributor no longer intends to sell that product, and therefore LIXIL WATER TECHNOLOGY will not sell that particular product to the distributor in the future
- g. Free and Reduced Cost:** Free shipping and/or handling, 0% tax, free financing or free promotional items do not violate LIXIL WATER TECHNOLOGY's UMAP. Reduced charges also are permissible for these items.
- h. Going Out of Business:** LIXIL WATER TECHNOLOGY's UMAP does not apply to legitimate going out of business, liquidation or bankruptcy related sales.
- i. Selling Prices:** LIXIL WATER TECHNOLOGY distributors and authorized online re-sellers remain free to establish their own selling prices.

4. WARRANTY

LIXIL WATER TECHNOLOGY authorized Re-Sellers receive support, sales and service training, and are equipped to handle most problems that may arise. LIXIL WATER TECHNOLOGY cannot stand behind the quality of products sold by non-authorized Re-Sellers and, therefore, LIXIL WATER TECHNOLOGY may not honor any warranty claims on products purchased from non-authorized Re-Sellers.

5. UNILATERAL POLICY

- a. The adoption, implementation and enforcement of this program is solely LIXIL WATER TECHNOLOGY AMERICAS unilateral corporate decision and responsibility. No employee or sales representative is authorized to discuss, modify or seek or obtain agreement with the UMAP. Any questions about this program should be submitted in writing to your local brand representative or direct brand contact.
- b. The UMAP is subject to revision at any time.

c. LIXIL WATER TECHNOLOGY AMERICAS will determine unilaterally whether products are being advertised in violation of the UMAP and will take action as warranted.

d. Each distributor and/or re-seller is free to decide whether or not to follow LIXIL WATER TECHNOLOGY AMERICAS, Inc.'s UMAP requirements.

e. Online Pricing: All pricing listed on an Internet site is considered an advertised price and, therefore, must comply with LIXIL WATER TECHNOLOGY's UMAP. ALL coupons that bring the final pricing below the established UMAP must be authorized by BRAND. Only authorized coupons and/or authorized promotion can bring the final pricing below the established UMAP Policy.

6. OTHER REQUIREMENTS

For online sales and advertising, distributors and Authorized Online Re-Sellers must be in compliance at all times with all terms of the LIXIL WATER TECHNOLOGY Authorized Online Re-Seller Program.

7. CONTACT INFORMATION

Please send all UMAP related inquires questions or violation reports to UMAPViolations@americanstandard.com.

LIXIL WATER TECHNOLOGY UMAP ENFORCEMENT

Policy Enforcement – Distributors

LIXIL WATER TECHNOLOGY distributors will be permitted to supply only LIXIL WATER TECHNOLOGY Authorized Online Re-Sellers as decided by LIXIL WATER TECHNOLOGY and as stated in the Authorized Online Re-Seller List.

LIXIL WATER TECHNOLOGY distributors found to distribute LIXIL WATER TECHNOLOGY products to UNAUTHORIZED online Re-Sellers in violation of the LIXIL WATER TECHNOLOGY UMAP policy are subject to the enforcement schedule as follows.

First Violation

LIXIL WATER TECHNOLOGY AMERICAS will send a written notice to the distributor advising the distributor that it is not in compliance with this policy. The distributor will be given a period of five (5) days from the date of the written notice to make the required changes to become compliant. If after five (5) business days from the date of the written notice the distributor is still not in compliance, it will be considered a second violation.

Second Violation

LIXIL WATER TECHNOLOGY AMERICAS will send a second written notice to the distributor advising the distributor that it is not in compliance and that, as a result of the second violation, the distributor will lose one-twelfth (1/12) of the Growth Rebate and one-twelfth (1/12) of the Volume Rebate it otherwise would have received for the calendar year in which the second violation occurred. If after five (5) business days from the date of the second written notice distributor is still not in compliance, it will be considered a third violation.

Third Violation

LIXIL WATER TECHNOLOGY AMERICAS will send a third written notice to the distributor advising the distributor that it is not in compliance and that, as a result, the distributor will lose one-sixth (1/6) of the Growth Rebate and one-sixth (1/6) of the Volume Rebate it otherwise would have received for the calendar year in which the third violation occurred. If after five (5) business days from the date of the third written notice the distributor is still not in compliance, it will be considered a fourth violation.

Fourth Violation

LIXIL WATER TECHNOLOGY AMERICAS will send a fourth written notice to the distributor advising the distributor that it is not in compliance and that, as a result, distributor will not receive any Growth Rebate or any Volume Rebate it otherwise would have received for the calendar year in which the fourth violation occurred. If after five (5) business days from the date of the fourth written notice the distributor still is not in compliance, it will be considered a fifth violation.

Fifth Violation

LIXIL WATER TECHNOLOGY AMERICAS will send a fifth written notice to the distributor advising the distributor that it is not in compliance and that, as a result, LIXIL WATER TECHNOLOGY AMERICAS will immediately place the distributor on Hold status, meaning that LIXIL WATER TECHNOLOGY AMERICAS will stop accepting purchase orders from the distributor and will not sell any products to the distributor. Hold status cannot be removed under any circumstances as long as the distributor has not moved into compliance with UMAP. It will be LIXIL WATER TECHNOLOGY AMERICAS unilateral decision whether, and, if so, when, to resume selling to the distributor. LIXIL WATER TECHNOLOGY AMERICAS will take immediate and appropriate legal actions to ensure that all LIXIL WATER TECHNOLOGY trademarks,

images and any other Intellectual Property have been removed from distributor's website and/or promotional materials.

LIXIL WATER TECHNOLOGY UMAP ENFORCEMENT

Policy Enforcement – Authorized Online Re-Sellers

Distributors and Authorized Online Re-Sellers found to violate the pricing restrictions are subject to the enforcement schedule as follows

First Violation

A written notice will be sent to the distributor and/or online re-seller advising that the advertiser is not in compliance with this policy. The advertiser will be given a period of seventy-two hours (72) from the date of the written notice to make the required changes to become compliant. If after seventy-two (72) hours, the advertiser is still not in compliance, it will be considered a second violation

Second Violation

LIXIL WATER TECHNOLOGY AMERICAS will send a second written notice to the distributor and/or online re-seller advising that the advertiser is not in compliance. LIXIL WATER TECHNOLOGY AMERICAS will immediately cut off product supply on all orders by the advertiser of the specific model in violation, that are placed beginning with the date of the second violation notice. LIXIL WATER TECHNOLOGY AMERICAS will not supply the product in violation to the distributor and/or online re-seller for a minimum period of 6 months from the date of the second violation notice, and at any time after the 6 month period, it will be LIXIL WATER TECHNOLOGY AMERICAS unilateral decision whether to resume supply. If after seventy-two (72) hours, the advertiser is still not in compliance, it will be considered a third violation.

Third Violation

Advertiser becomes unauthorized and LIXIL WATER TECHNOLOGY AMERICAS will immediately cut off all product supply to the advertiser. "Unauthorized" status cannot be removed under any circumstances as long as the advertiser has not moved into compliance with UMAP. It will be LIXIL WATER TECHNOLOGY AMERICAS unilateral decision whether to resume supply. LIXIL WATER TECHNOLOGY AMERICAS will take immediate appropriate legal actions to have all LIXIL WATER TECHNOLOGY Intellectual Property removed from the advertiser's website and/or promotional materials