

LONGLEAF COLLECTION UNILATERAL POLICY AND GUIDELINES FOR U.S. ADVERTISED PRICES

Longleaf Collection hereby announces the Unilateral Policy and Guidelines for Advertised Pricing that applies to advertising of Longleaf Collection products in the United States. The Policy is effective as of May 1, 2008.

The Policy

Longleaf Collection products possess a well-deserved image of high quality, uniqueness, and luxury available at a fair price. Further, a high level of professional services, technical support, and expert information to the trade and consumers on the selection and function of Longleaf Collection products is critical to our business strategies and sales growth. Thus, maintaining the products' image and encouraging customer service will most effectively promote sales of Longleaf Collection products over the long term. To that end, Longleaf Collection has established the Unilateral Policy and Guidelines for Advertised Prices (the "Policy"). Under the Policy, Longleaf Collection will unilaterally establish a minimum advertised price ("MAP") for Longleaf Collection products ("MAP Products") and guidelines for advertising the prices of MAP Products.

The policy applies to advertising of MAP Products by resellers, including distributors, specifiers, and dealers whether the reseller is a direct customer of Longleaf Collection. For purposes of the policy, if a customer of a direct purchaser from Longleaf Collection (an "indirect reseller") advertises a MAP Product for resale and the indirect reseller's advertising does not comply with the Policy, Longleaf Collection will treat the indirect reseller's noncompliance with the Policy as non-compliance by the direct

purchaser, with Longleaf Collection taking such action as prescribed in the Policy against the direct purchaser.

The prices covered by the Policy are **advertised prices only**, and not selling prices. Each reseller is free to sell Longleaf Collection products, whether or not the products have a MAP, at the prices it believed appropriate. Each reseller is also free to decide if it wishes to participate in the MAP program and its decision regarding compliance with the Policy are it's alone. Longleaf Collection does not seek, nor will they accept, any reseller's assurance of compliance with the Policy. In the event that a reseller advertises a Longleaf Collection product in non-compliance with the Policy, Longleaf will unilaterally take the action described below.

No representative or employee of Longleaf Collection has the authority to alter, deviate from, or impose conditions on the Policy.

MAP Products and their MAP

All products listed in Longleaf Collection's Price lists dated January 2009 and thereafter, and all products listed in Longleaf Collections Price Lists dated October 2010, and thereafter, are MAP Products. The MAP that may be advertised for each MAP product is a maximum discount of 27% off the product's suggested list price. Longleaf Collection reserves the right at anytime, and upon written notice, to change the MAP Products covered by the Policy and the MAP for any such Product. The use of any trademark, tradename, logo or image of a MAP Product in conjunction with prices that are in violation of this Policy are unauthorized and shall constitute unauthorized trademark use subjecting the user to all available penalties.

Price Advertising Guidelines – General

If advertising covered by the Policy (see below) promoting a MAP Product shows a specific price or netted down price it must be at or above the Product's MAP. Using free product offers, percentage discounts, rebates, credits, couponing, or other devices that net a MAP Product's advertised price below its MAP does not comply with the Policy.

Price Advertising Guidelines – Internet

All displays of MAP on a website must be in close proximity to the product image, clearly identify the specific product by part and/or kit number and show a price that is at or above the product's MAP. Use of devices such as "click here for pricing" and hyperlinking to another location on the website or to a third party's website to show a price for MAP Products does not comply with the Policy. Prices shown when a product is placed in the "shopping cart" or on the "check out" page of a website are not covered by the Policy. These are transaction prices that are for the reseller to determine, but, to be clear, the advertised price must be in compliance with the Policy.

Covered Advertising Media

The Policy covers all advertising that is directed towards a mass audience located in the United States. This includes all print (newspapers, magazines, catalogs, mailings, etc.), electronic (television and radio), outdoor displays, and the Internet. In-store displays, signs, and handouts are not covered advertising media for purposes of the Policy.

Application of the Policy

Longleaf Collection will not review or pre-approve a reseller's advertising. Also, Longleaf Collection does not request or seek reports from resellers about other resellers' advertising.

If Longleaf Collection determines to its satisfaction that a reseller has advertised a MAP Product in non-compliance with the Policy, Longleaf Collection will unilaterally take the following actions.

1. First Occurrence: Written notice of violation by Longleaf Collection.
2. Second Occurrence: Cancel all pending purchase orders for Longleaf Collection products and terminate the reseller's ability to purchase products directly from Longleaf Collection, including removal of the reseller from all links and listings on Longleaf Collection's websites, for 6 months effective with the date of notice from Longleaf Collection of the reseller's non-compliance with the Policy.
3. Third Occurrence: Cancel all pending purchase orders for Longleaf Collection products and terminate the reseller's ability to purchase products directly from Longleaf Collection including removal of the reseller from all links and listings on Longleaf Collection's websites, for 12 months effective with the date of notice from Longleaf Collection of the reseller's non-compliance with the Policy.
4. Forth Occurrence: Cancel all pending purchase orders for Longleaf Collection products and terminate the reseller's right to purchase products from Longleaf Collection.

Any action by Longleaf Collection under the Policy will be in Longleaf Collection's sole discretion and the final, taking into account the facts and circumstances of the reseller's non-compliance with the Policy.