

Unilateral Policy for Advertised Prices of ROHL Products

ROHL is implementing a [revised] Unilateral Policy for Advertised Prices of ROHL Products (the “Policy”) that is applicable to all ROHL distributors effective [May 15, 2012] with respect to the distributors’ (and the entities they sell to) advertising of ROHL products to retail consumers.

Unilateral Policy

Each distributor remains free to determine for itself the resale prices at which it will sell and promote ROHL products, and each distributor is free to independently decide whether or not to follow ROHL’s Policy. ROHL does not ask for, nor will it accept, any assurance of compliance or agreement from a distributor regarding the Policy. Nor will ROHL discuss any conditions or acceptance related to the Policy. ROHL is unilaterally implementing the Policy. ROHL will determine whether products are being advertised in violation of the Policy and will implement the policy as is warranted. All decisions by ROHL to take action for a violation of the Policy are final. There will be no negotiation. The Policy does not apply to discontinued merchandise or closeouts as clearly identified by ROHL.

Section I

A ROHL distributor remains free to establish its own resale prices. However, a distributor may not advertise or otherwise promote ROHL products to retail consumers via a mass media (including the Internet) at a Net Price (as defined herein below) below the Minimum Suggested Advertised Price (the “MSAP”) established from time to time by ROHL.

In addition, a distributor may not include statements or other information (such as coupons specific to any ROHL products) in its advertising or promotion of ROHL products to retail consumers via a mass media (including the Internet) that indicate, suggest, or imply that a price below the MSAP can be obtained from the distributor by contacting the distributor, visiting the distributor’s showroom, or any other means.

Further, without the prior, written consent of ROHL, a distributor may not include statements or other information in its advertising or promotion of ROHL products to retail consumers via a mass media (including the Internet) that indicate, suggest, or imply that the distributor is an “Authorized” dealer, reseller, distributor or other marketer of ROHL products.

In the event that a distributor violates **Section I** of this policy:

First Violation – ROHL will decrease the discounted price at which the distributor purchases ROHL products from ROHL by 10 percent.

[Step 1: Distributor will be notified in writing of the violation. Distributor will have ten (10) calendar days to correct such violation and come into compliance with the MSAP policy.

Step 2: If Distributor fails to correct the violation within ten (10) calendar days from the date the written notice was provided, ROHL will immediately decrease the discounted price at which the Distributor purchases ROHL products from ROHL by 10 percent. The violation will last for a period of ninety (90) calendar days

Step 3: Following the end of the ninety (90) day period referenced in Step 2 above, and provided that Distributor did not otherwise violate the MSAP policy during the ninety (90) day suspension period, ROHL will reinstate Reseller to full status. If the Distributor continues to be in violation of the MSAP policy at the end of the ninety (90) day suspension period, it will be considered a second violation.]

Second Violation – ROHL will terminate the distributor’s direct purchasing status.

Section II

ROHL distributors are not authorized to sell ROHL products to entities or persons which advertise or otherwise promote ROHL products to retail consumers via a mass media (including the Internet) at a Net Price below the MSAP established from time to time by ROHL.

In addition, ROHL distributors are not authorized to sell ROHL products to any entity or person that includes statements or other information (such as coupons specific to any ROHL products) in its advertising or promotion of ROHL products to retail consumers via a mass media (including the Internet) that indicate, suggest, or imply that a price below the MSAP can be obtained from the entity or person by contacting it, visiting its showroom, or any other means.

Further, ROHL distributors are not authorized to sell ROHL products to any entity or person that includes statements or other information in its advertising or promotion of ROHL products to retail consumers via a mass media (including the Internet) that indicate, suggest, or imply that the distributor is an “Authorized” dealer, reseller, distributor or other marketer of ROHL products, unless such entity or person has prior, written consent from ROHL to so advertise.

In the event a distributor violates **Section II** of this policy:

[First Violation – ROHL will decrease the discounted price at which the distributor purchases ROHL products from ROHL by 10 percent. ROHL will also remove the distributor from all links and listings on ROHL’s website.

Step 1: Distributor will be notified in writing of the violation. Distributor will have ten (10) calendar days to correct such violation and come into compliance with the MSAP policy.

Step 2: If Distributor fails to correct the violation within ten (10) calendar days from the date the written notice was provided, ROHL will immediately decrease the discounted price at which the Distributor purchases ROHL products from ROHL by 10 percent. The violation will last for a period of ninety (90) calendar days

Step 3: Following the end of the ninety (90) day period referenced in Step 2 above, and provided that Distributor did not otherwise violate the MSAP policy during the ninety (90) day suspension period, ROHL will reinstate Reseller to full status. If the Distributor continues to be in violation of the MSAP policy at the end of the ninety (90) day suspension period, it will be considered a second violation.

Second Violation – ROHL will terminate the distributor’s direct purchasing status.]

Section III

If ROHL determines that a ROHL distributor is the originating source of ROHL products being sold by an entity or person that is:

- (a) advertising or otherwise promoting ROHL products to retail consumers via a mass media (including the Internet) at a Net Price below the MSAP established from time to time by ROHL;
- (b) including statements or other information (such as coupons specific to any ROHL products) in its advertising or promotion of ROHL products to retail consumers via a mass media (including the Internet) that indicate, suggest, or imply that a price below the MSAP can be obtained from the entity or person by contacting it, visiting its showroom, or any other means; and/or
- (c) including statements or other information in its advertising or promotion of ROHL products to retail consumers via a mass media (including the Internet) that indicate, suggest, or imply that the distributor is an “Authorized” dealer, reseller, distributor or other marketer of ROHL products, without the prior, written consent from ROHL to so advertise;

Then, the ROHL distributor will face the penalties described in Section II above.

For the purposes of determining the applicable penalty, violations of Section I, Section II and Section III will be treated separately. Therefore, if a ROHL distributor violates Section I and then violates Section II, the non-compliant ROHL distributor will be sanctioned under Section I and Section II for the first violation of each, not treated as if the Section II violation is a “Second Violation” of Section I.

Additional Guidance

A ROHL distributor or other entity or person selling ROHL products violates this Policy by advertising or promoting ROHL products via mass media at a Net Price below the then current MSAP established by ROHL. This includes any price published via mass media, including but not limited to prices displayed through website or webpage links, website or webpage pop-ups and other methods of publication anywhere on the Internet. For example, a ROHL distributor or other entity or person selling ROHL products may not include statements such as “click here for best price.” A ROHL distributor or other entity or person selling ROHL products remains free to state regarding the sale or promotion of ROHL products that the customers may “call directly for pricing” or “click here to contact directly for quote” and include a telephone number or e-mail address for use by the potential customer.

MSAP

ROHL is establishing a MSAP of .75 times (25% off) the current ROHL List Price in effect. “Net Price” shall mean the stated price less all discounts, coupons, allowances, and free goods or services offered with ROHL products. ROHL reserves the right to change the MSAP on 30 days written notice.