

Minimum Advertised Price Policy Strom Plumbing

The Strom Plumbing brand offers a unique resource for interior designers, architects, professional builders and homeowners. Not only do our premium quality faucets and fixtures enjoy unparalleled preeminence in the marketplace but they give our independent distributors access to lucrative, high-end home construction and improvement markets. In order to continue to protect Strom Plumbing's reputation for exceptional quality, Strom Plumbing has unilaterally adopted this Minimum Advertised Price Policy ("Policy") for all Strom Plumbing products ("Products") sold through ecommerce channels of distribution (the "Internet"). This Policy applies to distributors, wholesalers and retailers (collectively, "Resellers") who resell Strom Plumbing Products to end users.

A. Policy

Effective **July 1, 2009**, advertised prices for Products may not be displayed or otherwise advertised on the Internet at a discount of more than **thirty percent (30%)** off of Strom Plumbing's current list price for such Products (the "Minimum Advertised Price"). Resellers may only display or otherwise advertise Product prices that are equal to or greater than the Minimum Advertised Price. The Minimum Advertised Price may not include additional advertised discounts, rebates, or other reductions, such as "two for one" or "free with other purchase" offers.

B. Violations of Policy

A Reseller's **first** violation of this Policy, including failure to comply with this policy on July 1, 2009, will result in Strom Plumbing issuing a warning. Upon receipt of such warning, the Reseller shall have **48 hours** to bring the applicable advertisement into compliance with this Policy. A Reseller's **second** violation of this Policy will result in Strom Plumbing ceasing to provide Products to such Reseller for a period of thirty (30) days. Upon a Reseller's **third** violation, Strom Plumbing, in its sole discretion, may terminate all orders for Products and/or Reseller's status as a Strom Plumbing distributor. Strom Plumbing, in its sole discretion, reserves the right to determine whether your advertisement violates this Policy.

Strom Plumbing will not grant exceptions to this Policy. No employee of Strom Plumbing has any authority to either discuss or revise this Policy. Any action by any person or employee of Strom Plumbing attempting to modify this Policy is unauthorized and void. Further, all written and oral communications regarding this Policy by any person or employees of Strom Plumbing are unauthorized and void. Resellers should not report to Strom Plumbing violations of this Policy by other Resellers. Strom Plumbing will monitor and enforce this Policy and contact violators directly. Strom Plumbing does not review or approve Reseller's Internet advertisements; accordingly, do not submit to Strom Plumbing Internet advertisements that you have or intend to create and display on the

Internet. Strom Plumbing does not seek and will not accept any agreement or understanding with Resellers in connection with the prices charged or advertised by such Resellers. Strom Plumbing reserves the sole right to change this Policy at any time, for any reason it deems fit. In the event of such a change, Strom Plumbing will strive to provide you with sufficient notice to make any necessary changes to your own advertised pricing practices. This Policy is void where prohibited by law.