

HANSGROHE BRAND MINIMUM ADVERTISED PRICE (MAP) POLICY

EFFECTIVE JANUARY 20TH, 2020

To: All AXOR Brand USA Wholesalers, Retailers, Showrooms, Distributors, Kitchen and Bath Dealers, and Authorized Online Resellers

Re: AXOR Brand Minimum Advertised Price Policy

Date: December 2019

Hansgrohe, Inc. ("Hansgrohe") is committed to protecting and maintaining its highly regarded brands and reputation for excellence. Its products are unparalleled, featuring superior engineering, technology, and progressive design. Hansgrohe has determined that certain advertising practices undermine Hansgrohe's reputation and the premium image of the AXOR brand. As part of this continued commitment to protect the AXOR brand, Hansgrohe has unilaterally adopted a Minimum Advertised Price Policy ("Policy") for all AXOR Brand MAP Products listed in the then-current AXOR Price Book and Price Book File (the "MAP Covered Products"). This Policy is effective January 20th, 2020 and applies to all advertisements of the MAP Covered Products (including, without limitation, print, radio, billboard, television, retailer or other websites, shopping engines, online marketplaces, and electronic media) by AXOR Brand USA Wholesalers, Retailers, Showrooms, Distributors, Kitchen and Bath Dealers, and Authorized Online Resellers (each, a "AXOR Reseller").

In furtherance of its commitment to protect its reputation and the premium image of the AXOR brand, Hansgrohe has unilaterally adopted the following Policy:

1. Hansgrohe, Inc. is solely responsible for establishing the minimum advertised price ("MAP") for each Product and communicating the MAP to all AXOR Resellers.
2. The MAP is the net price that results from the application of any advertised coupons, giveaways, AXOR Reseller-provided rebates, discounts, or other consideration provided in connection with the advertised price for the MAP Covered Products.
3. As of the effective date of this Policy, the MAP for MAP Covered Products **is 28% off the List Price** in the then-current AXOR Price Book and Price Book File.
4. Hansgrohe reserves the right, in its sole discretion, to change the MAP generally or with respect to certain MAP Covered Products and, if it does so, it will provide all AXOR Resellers with notice of such change at least 30 days in advance.
5. While AXOR Resellers are free to advertise and sell any MAP Covered Products at any price they deem appropriate, it is a violation of this Policy for an AXOR Reseller to advertise MAP Covered Products at a price lower than the MAP. Such advertisements include, but are not limited to:
 - a. Offering coupons, discounts, rebates, or other inducements at a price lower than the MAP, including through a use of a storewide sale, promotional code, or other similar provision that can be applied to MAP Covered Products.
 - b. Bundling MAP Covered Products with other products or services in a manner that results in below-MAP pricing for the bundled MAP Covered Products.
 - c. Permitting any third party to alter the advertised price for any MAP Covered Products.
6. It will be considered a violation of this Policy to fail to display an advertised price for each MAP Covered Product in any advertisement, including on the product detail page of any website advertising a MAP Covered Product.
7. Resellers may not modify product names, descriptions or SKU numbers on product listing pages and marketing materials, such as by omitting or modifying hyphens or other punctuation, or take any other actions in an attempt to obscure or conceal

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violations of this Policy.

8. Direct or indirect attempts to circumvent this Policy also violate this Policy; however, it is not a violation to advertise that a customer may “call for price,” “text for price,” or “email for price” as long as no automated call, text message, or “bounce-back” email is used in response.
9. It will be considered a violation of this Policy for any AXOR Resellers to sell any of the MAP Covered Products to any person or entity that advertises the MAP Covered Products in any medium at a price lower than the Minimum Advertised Price established by Hansgrohe.
10. Not included within the definition of MAP Covered Products under this Policy are those AXOR-branded products that are designated as obsolete, discontinued, phased out or promotional by Hansgrohe, as determined in Hansgrohe’s sole discretion.
11. Each AXOR Reseller is free, in its sole discretion, to set its own shipping charges and actual selling prices of MAP Covered Products and to establish its own advertising policies.
12. If an AXOR Reseller violates this Policy, Hansgrohe will restrict the AXOR Reseller’s ability to purchase MAP Covered Products and/or terminate its business relationship with the AXOR Reseller.

Hansgrohe has adopted this Policy unilaterally in furtherance of its independent business strategy for the AXOR Brand. Each AXOR Reseller is free to decide independently whether to follow this Policy. **This Policy does not constitute an agreement between Hansgrohe and any other entity.**

Hansgrohe alone will implement, interpret, and enforce this Policy in its sole discretion and independent judgment. Hansgrohe does not expect, and will not accept, any assistance from or agreement by any AXOR Reseller about this Policy or its implementation, interpretation, or enforcement.

No Hansgrohe employee or representative, including a AXOR Reseller’s sales representative, is authorized to modify, interpret, or grant exceptions to this Policy; solicit or obtain the agreement of any person to this Policy; or otherwise discuss any aspect of this Policy with any AXOR Reseller, including that AXOR Reseller’s or any other AXOR Reseller’s compliance with the terms of the Policy. Any questions about this Policy should be submitted in writing and directed to Hansgrohe’s **MAP Policy Administrator at MAP@hansgrohe.com**. Hansgrohe, Inc. will accept no other form of communication from AXOR Resellers regarding the Policy.

On a limited or infrequent basis, exceptions applicable to all AXOR Resellers may be announced in advance by Hansgrohe, in its sole discretion. It shall not be a violation of this Policy to advertise in compliance with any such authorized promotion. Hansgrohe may amend or discontinue this Policy at any time and will notify all AXOR Resellers of any such amendment or discontinuation. This Policy is in addition to and separate from all other Hansgrohe policies.

Please make sure that all appropriate people in your organization receive a copy of this Policy.

Thank you for your continued support of Hansgrohe, its brands, and products.