

**DANZE, INC.**  
**INTERNET MINIMUM ADVERTISED PRICE POLICY**  
**Revised Effective May 1, 2016**

**INTRODUCTION**

This Policy replaces and supersedes all prior Internet Minimum Advertised Price policies (“IMAP” or “Policy”) issued by Danze, Inc., and applies to all Danze distributors, wholesalers, retailers, dealers and other resellers located in the United States (collectively, the “Resellers”). This Policy has been implemented in order for Danze to better compete in the market for premium plumbing fixtures, faucets, showerheads and bath accessories. In particular, Danze has determined that adoption of this Policy is a necessary component of its strategy to reduce or minimize distribution channel conflicts and to ensure that its Danze® line of products is supported with aggressive marketing, prominent merchandising and product displays, pre-sale and post-sale customer service, education and stocking of sufficient product inventories to adequately service the local market.

This Policy is subject to change at any time by Danze, in its sole and absolute discretion.

**POLICY APPLICATION**

This Policy applies to all Resellers of Danze® products who buy directly from Danze and who now or hereafter directly sell Danze® products on the internet or who resell any Danze® products to one or more companies operating an internet website on which they sell, or intend to sell, Danze® products.

**POLICY**

The Internet Minimum Advertised Price (“IMAP”) for a Covered Product is 35% off the then-current standard list price published by Danze for the Covered Product.

This policy is unilateral, non-negotiable and will not be altered for any Reseller. Each Reseller is free to independently decide whether or not to follow the Policy. All Resellers of Covered Products remain free to sell the Covered Products at any price they choose in their sole and absolute discretion.

This Policy applies to the list of skus manufactured and distributed under the Danze® brand name set forth at danze.com, which Resellers should review on a regular basis (the “Covered Products”). It does not apply to discontinued, closeout or distressed merchandise, or to special over-stock promotions as announced by Danze. Danze may also, from time to time, announce promotional periods during which the Policy will not apply with respect to all or some Covered Products.

**VIOLATIONS**

A “Violation” of the “Minimum Internet Advertised Price Policy” occurs when a price for a Covered Product is displayed on any internet site that is below the published IMAP price. This includes using any on-line or internet ads or campaigns with respect to the sale of Covered Products as well as sponsored links and websites operated by, affiliated with, and/or linked to the

Internet Reseller's website(s). The definition of price does not include any price discounts displayed after a product is added to the cart.

If after making an investigation into any alleged or discovered violation, Danze determines to its sole satisfaction that a Reseller directly or indirectly through third parties has engaged in Internet Advertising of any Covered Products at a resale price less than the IMAP price, Danze may take the following actions:

Danze will first notify the Reseller in writing of any violation of the IMAP Policy. If the Reseller corrects the violation within fifteen (15) calendar days, no further action will be required. If the Reseller fails to correct the violation within fifteen (15) calendar days, Danze will issue a second written notification of any violation of the IMAP Policy.

If the Reseller continues to be in violation of the IMAP policy, Danze will notify the Reseller that if the violation is not corrected within forty-eight (48) hours, Danze will immediately suspend sales to the Reseller of the Covered Products to which the violation related for a minimum of thirty (30) days.

If the Reseller continues to be in violation of the IMAP policy, Danze will notify the Reseller of Danze's immediate suspension of sales of all Covered Products to the Reseller for a minimum of six (6) months.

Note: This Policy is not intended to restrict Danze's rights to manage its distribution channels and to make and change its decisions regarding Resellers and others with whom it will do business. Among other things, depending on the severity or number of violations and the response of the Reseller when advised of a violation of this IMAP, Danze may deem it appropriate to bypass some or all of the steps above and immediately cease doing business with the Reseller.

### **DANZE, INC. IMAP POLICY ADMINISTRATION**

No Danze employee or sales representative has any authority to modify or alter this Policy or to negotiate this Policy or any agreement with respect to it with any Reseller.

The only people authorized to answer questions regarding the Policy or to comment on the Policy on behalf of Danze, and the people to whom all questions regarding the Policy must be addressed, are the Danze IMAP Policy Administrators at the address designated below.

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