To: All Delta® Brand Resellers: Retailers, Showrooms, Wholesalers, Distributors, Kitchen and Bath Dealers, Authorized Online Retailers, and Preferred Online Retailers

Re: Delta Brand Minimum Advertised Price Policy

Delta Faucet Company (DFC) has adopted the following Minimum Advertised Price Policy (MAP Policy) for select Delta® product offerings (Delta MAP Products, as defined below). This MAP Policy applies to all Delta brand Resellers, Retailers, Wholesalers, Showrooms, Distributors, Kitchen and Bath Dealers, Authorized Online Retailers, and Preferred Online Retailers in the United States of America (each, a Delta Reseller) and replaces and supersedes any prior MAP policies for Delta brand products.

DFC is committed to technology and innovative solutions in the kitchen and bath to help people use water in better ways. Consistent with that commitment, DFC has designed products that incorporate inventive technologies and/or innovative designs to meet the discerning demands of the higher-end consumer. DFC believes that certain advertising practices are inconsistent with its competitive strategy for these products and for the Delta brand image as an innovation and technology leader in the plumbing industry. These practices also may undermine the commitment of DFC and the Delta Resellers to provide an appropriate level of service, merchandising, advertising and promotion in the support of DFC’s strategy for Delta MAP Products (as so designated from time to time by DFC in its price files or otherwise) and in turn, the Delta brand image.

In an effort to ensure the long-term viability of the Delta brand and to ensure Delta Resellers provide essential services that benefit the Delta brand, DFC has adopted the following Policy.

1. DFC is solely responsible for establishing the minimum advertised price (MAP) for each Delta MAP Product and communicating the MAP to all Delta Resellers.

2. DFC has established a MAP for Delta MAP Products as follows:
   - 30% below DFC’s then-current list price for designated Delta Focus Products
   - 40% below DFC’s then-current list price for designated Delta non-Focus Products

3. While Delta Resellers are free to sell Delta MAP Products at any price they deem appropriate, it is a violation of this MAP Policy to advertise Delta MAP Products in any medium (including, without limitation, print, radio, television, retailer or other websites, auction sites, shopping engines, online marketplaces, internet resale sites and electronic media) at a consumer advertised price lower than the MAP established by DFC from time to time for the particular product.

4. Offering coupons, discounts, rebates, or other inducements resulting in an advertised 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 is a violation of this MAP Policy.

5. It will be considered a violation of this MAP Policy to fail to display an advertised price for each Delta MAP Product in any advertisement, including on the product detail page.

6. Notwithstanding the foregoing, pricing information displayed at the final online checkout stage of a transaction is not considered “advertising” under this MAP Policy. The “final online checkout stage” is the stage when the MAP Covered Product is put into a shopping cart that contains the customer’s name, shipping address, email address, and payment information. Pricing information in the “shopping cart” or “checkout” stages must be obscured technically so that it is not retrievable by shopping and pricing engines, and not displayed on search page results within the Delta Reseller’s own website.
7. Delta 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. These actions, or any other actions taken in an attempt to directly or indirectly circumvent this Policy, also violate this Policy.

8. 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. DFC reserves the right, in its sole discretion, to change the MAP generally or with respect to certain products and, if it does so, it will provide notice of such change at least 30 days in advance. At DFC’s sole discretion, this Policy may not apply to products that are designated as obsolete, discontinued or used.

10. Delta Resellers are free to establish their own shipping charges, actual sale prices, and advertising policies for Delta MAP Products.

11. Failure to comply with this MAP Policy shall result in the consequences set forth in Exhibit 1.

12. Notwithstanding the provisions of Exhibit 1, (a) after a first violation, a failure to comply with this MAP Policy will not be treated as a violation unless it occurs (or continues) more than two days after a previous violation, and (b) any violation of this MAP Policy that occurs more than 12 months before the most recent violation will no longer be considered a violation for purposes of calculating the appropriate level of consequence.

13. DFC reserves the right to stop selling Delta Products to any Delta Reseller that DFC deems to be a chronic violator or that otherwise demonstrates its unwillingness or inability to comply with this MAP Policy.

14. On a limited or infrequent basis, holiday or other short-term promotion exceptions may be authorized by DFC, in advance and in its sole discretion. Any Delta Reseller that advertises a Delta MAP Product in accordance with the terms of the authorized promotion or holiday will not be deemed to have violated the MAP Policy.

This MAP Policy does not constitute an agreement between DFC and any other entity. DFC has adopted this Policy unilaterally in furtherance of its independent business strategy for its Delta brand. Each Delta Reseller is free to decide independently whether to follow this MAP Policy.

This MAP Policy is not negotiable. No DFC employee or representative is authorized to, nor will DFC, modify, interpret, grant exceptions to, or change this MAP Policy for any particular Delta Reseller. DFC alone will implement, interpret and enforce this MAP Policy in its sole discretion and independent judgment. DFC does not solicit or expect, nor will DFC accept, any assistance from or agreement with its customers about compliance with this MAP Policy or its implementation, interpretation or enforcement. Any questions about this MAP Policy should be submitted in writing and directed to DFC’s MAP Policy Administrator at PolicyEnforcement@DeltaFaucet.com. DFC will accept no other form of communication from Delta Resellers regarding the MAP Policy.

Please make sure that all appropriate people in your organization receive a copy of this MAP Policy. DFC reserves the right to amend, modify, or discontinue this MAP Policy at any time, and will notify all Delta Resellers of any such amendment, modification, or discontinuation. This MAP Policy is in addition to and separate from all other DFC policies.

Thank you for your continued support of Delta products.
**Exhibit 1**
Consequences for violations by any Delta Reseller

If any Delta Reseller fails to comply with this MAP Policy, the following consequences shall apply.

<table>
<thead>
<tr>
<th>Violation</th>
<th>Consequence</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Violation</td>
<td>Written Warning.</td>
</tr>
<tr>
<td>Second Violation</td>
<td>Written Warning.</td>
</tr>
<tr>
<td>Third Violation</td>
<td>Written Warning. If applicable, the violator will lose deep-linking capabilities on the Delta Faucet website for 30 days.</td>
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<tr>
<td>Fourth Violation</td>
<td>For 30 days, (i) DFC will stop selling the applicable Delta MAP products to which the violation related, and (ii) the violator will not be authorized to purchase these products from any distributor.</td>
</tr>
<tr>
<td>Fifth Violation</td>
<td>For 30 days, (i) DFC will stop selling the applicable Delta MAP product collections to which the violation related, and (ii) the violator will not be authorized to purchase these collections from any distributor.</td>
</tr>
<tr>
<td>Sixth Violation</td>
<td>For 30 days, (i) DFC will stop selling all Delta MAP Products, and (ii) the violator will not be authorized to purchase these products from any distributor.</td>
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