

TREVARROW, INC.
Statement of
Unilateral Minimum Resale Price Policy

Trevarrow, Inc. unilaterally announces a Unilateral Minimum Resale Price Policy (the "UMRP Policy") effective June 1, 2000 and updated on March 22, 2019

Under this UMRP Policy, Trevarrow, Inc. will periodically provide its dealers with a list of Unilateral Minimum Resale Prices ("UMRP Prices") for certain products ("UMRP Products"). We will discontinue selling UMRP Products to dealers who sell, advertise or offer these Products for sale below the current UMRP Prices. We do not ask any dealer to agree with this Policy, to assure us that it will comply, or to confirm its compliance with this Policy. Each dealer is free to make its own pricing decisions.

NOTICE: WE HAVE DIRECTED OUR EMPLOYEES NOT TO DISCUSS THIS POLICY OTHER THAN TO STATE THAT IT EXISTS, THAT IT IS SET OUT IN THIS POLICY STATEMENT, AND THAT THEY ARE SUBJECT TO TERMINATION FROM EMPLOYMENT AND OTHER SANCTIONS IF THEY DISCUSS IT FURTHER.

GENERAL POLICY STATEMENT

- No dealer may sell or offer to sell any UMRP Product at a price below the UMRP Price in effect at the time of sale. Prohibited conduct includes:
 - Selling or offering to sell a UMRP Product with a "free gift" or similar incentive.
 - Pricing a UMRP Product as part of a "package" or "bundle" with any non-UMRP product.
 - Selling or offering to sell a UMRP Product with "free," discounted, or reduced cost financing, unless that financing offer extends to all kitchen appliances sold by that dealer at that time.
 - Attempting to avoid this Policy through any other subterfuge.
- No dealer may communicate with Trevarrow, Inc. (or any of its officers, employees, or representatives) or with any other dealer about this UMRP Policy, including whether or not the dealer or any other dealer has complied with the Policy. A dealer may, however, request a copy of this UMRP Policy or the current UMRP Price List from us, and may state whether it has received a copy of the Policy or a UMRP Price List.

UNILATERAL NATURE OF THE POLICY. Trevarrow, Inc. has unilaterally adopted this Policy, and will interpret and enforce it without input from any dealer or other person. Trevarrow, Inc. does not seek, and will not enter into, any agreement with a dealer concerning this Policy. Trevarrow, Inc. may revise or modify this Policy at any time.

EXCEPTIONS. The following are exceptions to this UMRP Policy:

- **Display Units.** Display units are exempt from this Policy, providing (1) the dealer actually displays the unit at all times until it is sold, and (2) the sale is made after the first anniversary (1 year) of the Trevarrow, Inc. invoice date. All sales of display units must clearly state: DISPLAY UNIT on the consumer invoice.
- **Model Homes.** Units sold for bona fide use in model homes are exempt from this Policy.
- **Builder Projects.** This Policy exempts sales to a builder for use in a project where the UMRP Product will be specified in six or more homes.
- **Influential Trade Participants.** This Policy exempts a *minimal* number of sales for personal use of influential members of the home building industry, influential design professionals and persons directly associated with the dealer.

ENFORCEMENT. In order to police this Policy, Trevarrow, Inc. will, among other things, monitor dealers' advertising and present undisclosed "undercover" shoppers to dealers. The undercover shoppers are representatives of Trevarrow Inc. and any attempt by a dealer to discuss this Policy with a suspected undercover shopper will violate this Policy. If we determine that a dealer has violated this Policy, we will take the following actions:

- The first time we determine that a dealer has violated this Policy, we will immediately suspend the dealer's right to purchase UMRP Products for a period of 30 days.
- The second time we determine that a dealer has violated this Policy, we will immediately suspend the dealer's right to purchase UMRP Products for a period of 90 days.
- The third time we determine that a dealer has violated this policy, we will impose sanctions up to and including the termination of the dealer's right to purchase products in accordance with the provisions of the Dealer Agreement.

During any period of suspension or in the event of termination pursuant to this Policy, we will stop all shipments to the dealer and cancel all back-orders for UMRP products. All violations will be cumulative over a rolling 2-year (24 month) period, based on the first violation date.

Q & A TO CLARIFY THE UMRP POLICY

- Q:** Are "minor" discounts from the Unilateral Minimum Resale Price, even just a few dollars, going to be deemed a violation?
- A:** Any discount may be deemed a violation.
- Q:** What if the price below UMRP is advertised or quoted by accident or error?
- A:** Dealers are responsible for the correctness of their advertisements and the conduct of their employees, including accuracy in quoting prices. Trevarrow, Inc. will interpret and apply its UMRP Policy unilaterally in these and all other situations.
- Q:** Is it a violation of the Policy, resulting in suspension or termination, for a dealer to communicate with an employee, officer or other representative of Trevarrow, Inc. regarding the UMRP Policy?
- A:** Yes, except to request a copy of the Policy, or of the applicable UMRP price list, or to confirm receipt of those.
- Q:** Can we arrange an exception from the policy for a special event or promotion?
- A:** No. It is a violation of the Policy even to inquire about or ask for an exception.
- Q:** If a dealer qualifies for a discount on UMRP Products, may it pass on some portion of that discount to customers?
- A:** No.
- Q:** If I have questions about this Policy, or Trevarrow, Inc. has neglected to address some aspect of it, can I get clarification from Trevarrow, Inc.?
- A:** No. Trevarrow, Inc. has sought to clearly set forth all aspects of the policy, but dealers must rely upon their own judgment and that of their own advisors in connection with this Policy and their conduct.
- Q:** We have several stores under common ownership or control. In the event of a violation, will only the store at which the violation occurred be suspended or terminated?
- A:** No. All stores under said common ownership or control shall be subject to the suspension or termination.

- Q:** If a dealer is having a "store wide" sale or a "liquidation," and advertises or offers all of its other inventory for sale at a particular discount, would it be a violation for it to apply the same discount to UMRP Products?
- A:** So long as the price of the UMRP Products remains above UMRP, there is no violation. If the net price of the UMRP Products is below UMRP, even advertising such a sale would be a violation unless UMRP Products are expressly excluded from the discount, by brand.
- Q:** Are floor models or display models permitted to be discounted as an exception to the UMRP?
- A:** Yes, but only in accordance with the Display Units statement included in this Policy.
- Q:** How does the exception for display models work?
- A:** For example, if a UMRP priced item is invoiced to the dealer on March 1, 2018, and the dealer does, indeed, place it on display and maintain it on display until after March 1, 2019, then the dealer may sell the item at any price it elects, or in any package or bundle it elects, provided it makes that sale on or after March 1, 2019. All sales of display units must clearly state: DISPLAY UNIT on the consumer invoice.
- Q:** Is there any arbitrary limit on the number of units which a dealer may display at any one time, or on the quantity of any particular product item that the dealer qualifies as a display model?
- A:** No. Each unit, however, must satisfy the requirements of this Policy.
- Q:** Can a dealer provide information to Trevarrow, Inc. to explain an apparent noncompliance? Can a dealer "appeal" a determination by Trevarrow, Inc. under this Policy?
- A:** No. Determinations by Trevarrow, Inc. under this *unilateral* Policy are final, unappealable, and nonnegotiable. Attempts by a dealer to discuss its compliance or apparent noncompliance will be deemed a further and separate violation.
- Q:** Can a dealer report a violation of the UMRP policy by another dealer?
- A:** No. Any attempt by a dealer to communicate with us about another dealer's noncompliance will be deemed a violation by the dealer attempting to make such a communication. Trevarrow, Inc. will be conducting its own policing under this unilateral policy.