



## **KARNDEAN DESIGNFLOORING (“KARNDEAN”) U.S. MINIMUM ADVERTISED PRICING POLICY**

Revised August 1, 2019

*The following unilateral **Karndean Minimum Advertised Pricing Policy** applies to advertising by all authorized United States (“U.S.”) dealers and distributors of Karndean products (collectively “Dealers”) directed to customers located in the U.S.*

### **Introduction**

Karndean’s business is focused on providing innovative, high quality, branded products. An important part of Karndean’s business is to ensure efficient and effective distribution of its products so that end users of Karndean products get the service, support and resources they need to benefit most fully from these products. In this minimum advertised pricing policy (“MAP Policy” or “Policy”), Karndean sets forth its unilateral policy in furtherance of these important objectives.

This MAP Policy applies to all Karndean products listed on the then-current “Karndean MAP Products List” for sale to customers in the U.S. (each, a “MAP Product”), whether purchased or otherwise acquired by Dealers directly from Karndean or through any third parties. This MAP Policy is not directed to the advertising or sale of Karndean products for sale to customers outside the U.S. or to products of other companies, and all provisions of this Policy shall be interpreted accordingly.

This MAP Policy only applies to a Dealer’s advertised price of any MAP Product. **A minimum advertised price (“MAP”) is NOT a minimum selling price and Dealers are free to sell Karndean products at pricing they choose.**

This MAP Policy is a unilateral policy of Karndean. Karndean will not make or accept any agreement to follow this MAP Policy under any circumstances. Just as Karndean’s MAP Policy is its unilateral policy, Dealers have the unilateral choice whether to comply with Karndean’s MAP policy. Instead, this MAP Policy sets forth the unilateral steps that Karndean may take if a Dealer chooses not to comply with this MAP Policy.

### **PRICE ADVERTISING**

This Policy covers any and all advertising for sale of any MAP Product to customers in the U.S., no matter whether the advertising communication be printed, broadcast, electronic or verbal. Advertising means a public announcement referencing a Dealer’s ability to sell any Karndean MAP Products in the U.S. or promoting any Karndean MAP Products for sale in the U.S., including, but not limited to, making such public announcement on or through an internet website, social media platform, internet platform, search engine, general discussion board, blog, or internet auction site; in a catalog, magazine, newspaper, or other type of circulated printed media; on the



radio or television; in a fax; in a text message; in a retail display; or through any other public forum or communication method. This Policy covers all physical locations outside of the Dealer's immediate physical retail location. This Policy does not apply to enclosed areas within a Dealer's physical location, signage on internal displays or price tags; but does apply to all forms of outdoor signage or external window advertising. The definition of advertising includes only one-way communications from a Dealer and responses by a Dealer to general expressions of interest from a customer. Advertising shall NOT include any negotiations, substantive interactions or communications with customers that go beyond responses by a Dealer to general expressions of interest by a customer.

Karndean reserves the right to unilaterally establish a MAP for any or all of its products. With respect to any Karndean products as to which Karndean unilaterally establishes a MAP, Karndean's unilateral policy is that Dealers may not advertise prices that are below the MAP or knowingly sell, directly or indirectly, to a third party that advertises such product below the MAP. As part of its overall pricing structure, Karndean reserves the right to change the MAP for any product, as well as the list of products on the Karndean MAP Products List, at any time.

A copy of this MAP Policy, the products listed on the then-current Karndean MAP Products List, and the MAP for such products can be found at [www.karndean.com/mappolicy](http://www.karndean.com/mappolicy). Dealers who choose to comply with this MAP Policy should check this link on a regular basis for any changes.

#### **USE OF TRADEMARKS, SERVICEMARKS, LOGOS, AND COPYRIGHTED IMAGES**

Karndean does grant to its authorized dealers and distributors a limited, nonexclusive license to use the current version of its Karndean Designflooring trademarks, trade names, logos, designs, copyrighted images and other such servicemarks provided that these are used for the solely for the advertising and promotion of Karndean products, and provided that these are used in an appropriate manner and in accordance with any instructions issued by Karndean regarding the use thereof. Copying descriptions and content from a Karndean website is not permitted. Karndean will provided images and logos upon request.

All Karndean Designflooring trademarks, trade names, logos, designs, copyrighted images and other servicemarks are protected under various intellectual property laws, both domestic and international, and Karndean Designflooring does retain all rights and control over their use. Karndean Designflooring does reserve its ultimate right to disapprove and disallow any use thereof at any time, with or without specific reason therefore. Any limited, nonexclusive license for use is nontransferable, may not be sublicensed or assigned, and may be revoked at any time.

#### **INTERNET ADVERTISING**



Karndean’s unilateral policy is that all prices of any MAP Products for sale to customers in the U.S. advertised on the Internet or otherwise online (collectively “Internet”) must fully comply with the Karndean MAP Policy. No prices less than the MAP may be advertised in any form with regard to any such MAP Product. Also, discounts may not be advertised in any Internet advertising if said discount would cause a product to be priced below the MAP of any such MAP Product.

The unilateral Policy applies to any advertised prices of MAP Products for sale to customers in the U.S. that appear anywhere on an Internet web site, including prices listed on any online price lists or order forms. The Policy also extends to advertised prices of such MAP Products which do not appear directly on a website, but which can be accessed through a hyperlink, online link, or by other direct or indirect access provided by a web site. Internet Dealers are free to make sales of such MAP Products at prices below minimum advertised prices, but such prices may only be quoted or transmitted privately between the parties involved directly in the sale. Any such pricing may not be advertised in any form whatsoever.

This MAP Policy does not apply to: (a) the actual sale price on any “check-out page” of any website or related internet site (typically the page at which the end user finally purchases the MAP Product); or (b) an outreach to a particular customer who reaches the check-out page but does not complete a purchase. A party also shall not be deemed to fail to comply with this MAP Policy for advertising that a customer may “call for price”, “email for price”, or using similar language, or stating that “coupons are available at checkout”, so long it is not implied in such advertisement that the offered pricing for any MAP Product is below the MAP for that product. Thus, showing a price for a MAP Product below MAP in a shopping cart does not fail to comply with the Policy but advertising that precedes doing so fails to comply with the Policy if it states or implies to customers that the price will be below MAP once they add it to their cart. For example, terminology of “Add to Cart to see Price” would be in compliance with the Policy but “Add to Cart because we can’t advertise below MAP” would not. Similarly, any statement or language that allows a recalculation of the advertised price to be made, such as “20% off prices shown everyday” or “call for \$50 off this price,” would not be in compliance with this MAP Policy if such recalculated advertised price is below the MAP for that MAP Product.

### **PHYSICAL LOCATION ADVERTISING**

As with the above specifications governing Internet pricing, Dealers of Karndean products with physical locations in the U.S. are free to determine their own pricing for any Karndean products, however, Karndean’s unilateral policy with respect to such physical locations is that no prices of MAP Products shall be advertised at levels below the MAP of any such product. Dealers remain free to make sales at prices below the MAP of any such MAP Product, and to engage in conduct within the physical location that, as detailed above, does not constitute advertising.



**Consequences of Non-Compliance.** If Karndean determines that a Dealer is not complying with this MAP Policy, Karndean will issue a written notice to the Dealer and allow the Dealer a ten-day period to decide whether it will comply with this MAP Policy. It is entirely up to the Dealer whether it chooses to comply with such notice. If the Dealer chooses not to comply with this MAP Policy or if the Dealer thereafter again fails to act in accordance with this MAP Policy, Karndean reserves the right in its sole discretion to take any action it deems in the best interest of Karndean, including, without limitation, a temporary or permanent termination of the Dealer's ability to purchase any or all Karndean products. Any such notice or action by Karndean shall not be a request that the Dealer agree to comply with this MAP Policy. Such a response by a Dealer shall not be permitted and will not be accepted. This MAP Policy is a unilateral Karndean policy and does not constitute any agreement with any Dealer (or any other party), which Karndean does not ask for and will not accept under any circumstances.

### **QUESTIONS AND ADDITIONAL INFORMATION**

This MAP Policy has been adopted unilaterally by Karndean, and Karndean reserves the right to modify or rescind this MAP Policy at any time in its sole discretion. This MAP Policy does not constitute an agreement between Karndean and any Dealer (or any other party), and no party has any authority whatsoever to make or accept any such agreement on Karndean's behalf. No Dealer or any other party will have any right, contractual or otherwise, to enforce this MAP Policy against any other Dealer or any other party or against Karndean.

Karndean sales, marketing, and customer service personnel have no authority to discuss, consider or make any agreement with regard to this MAP Policy, or to modify or grant any exceptions to this MAP Policy. They are not permitted to discuss with any Dealer (or any other party) the enforcement of this MAP Policy, including the discontinuance of sales of any product to any Dealer. Any questions or requests for additional information regarding the Karndean Minimum Advertised Pricing Policy should be made in writing to Karndean by e-mail at [internetpolicy@karndean.com](mailto:internetpolicy@karndean.com), or by postal mail to 1100 Pontiac Court, Export, PA 15632.



Karndean MAP Products List—Effective Beginning August 1, 2019

Pursuant to Karndean’s U.S. Minimum Advertised Pricing Policy (“Policy”), which is incorporated by reference in full herein, following is the current list of Karndean products as to which Karndean has unilaterally set the listed minimum advertised prices below. Karndean also has unilaterally listed suggested retail prices below for such products. The suggested retail prices are for informational purposes only and failure to comply with such suggested resale prices shall not constitute a failure to comply with the Policy.

As set forth more fully in the Policy, Karndean Dealers are free to set their own retail prices and make sales at any price below Karndean’s minimum advertised price. **Karndean will not force any Dealer to sell any products at any particular price.**

Karndean reserves the right to unilaterally change this list and any minimum advertised price or suggested retail price in its sole discretion at any time and from time to time.

		Recommended Retail Price	Minimum Advertised Price
<b>Glue Down</b>			
12 MIL	K-Trade Glue Down (7x48)	\$3.11	\$2.59
	Knight Tile	\$3.26	\$2.80
20 MIL	K-Trade Commercial	\$3.26	\$2.69
	Opus	\$4.53	\$3.84
	Opus - REN21	\$6.60	\$5.61
	Van Gogh	\$5.19	\$4.15
30 MIL	Michelangelo	\$5.50	\$4.77
	Da Vinci	\$5.94	\$5.19
	Art Select	\$6.23	\$5.50
	Art Select - Limestone	\$6.23	\$5.50
<b>Loose Lay</b>			
20 MIL	LooseLay Series 1, 2, and 3	\$5.29	\$4.57
	LooseLay Longboard	\$5.50	\$4.77
	K-Trade LooseLay	\$5.09	\$4.25
<b>Rigid and Click</b>			
12 MIL	Palio Clic	\$3.49	\$2.79
20 MIL	Korlok Select	\$5.99	\$5.39
	Korlok Reserve	\$5.59	\$4.89
	Palio Core	\$5.39	\$4.49
	Van Gogh Rigid	\$5.59	\$4.85