

HAJOCA CORPORATION
MAINLINE COLLECTION | LUXART COLLECTION

Online Brand Management Program

Effective September 1, 2015

Hajoca Corporation (the **Company**) has invested significantly in establishing a strong, high-end, and highly respected brand and reputation among its customers and in the communities it serves. The Company actively supports its products with significant investments in the advertising, promotion and selling of its high quality products. Promotions that undermine these goals degrade the Company's brand and position in the market, reduce the desirability of the Company's products, and hurt the Company's reputation and ultimately sales.

In order to further its goal of maintaining and enhancing its brand and reputation, the Company adopts this Online Brand Management Program (the **Policy**) effective September 1, 2015. This Policy applies to all online sales of any of the Company's private labels by any distributor including, *but not limited to*, the Mainline Collection (www.mainlinecollection.com) and the Luxart Collection (www.luxartcollection.com) (together, the **Products**).

This Policy reflects the Company's desire to protect its investment in its brands. This Policy is very important to the Company, and may not be modified or changed for any given entity by any employee or representative of the Company. The Company alone will implement, interpret and enforce this Policy. The Company may supplement, amend or terminate this Policy at any time. It is the responsibility of each distributor to which this Policy applies to educate and inform each of its personnel of the terms of the policy and to insure that these terms are followed.

Scope. This Policy applies to any media advertising by distributors and their customers including:

- Fax communications intended to reach more than one individual;
- Internet placements including search engines, social media and networks, banner ads, broadcast emails, landing pages, third party sites;
- Electronic stores like Amazon, eBay, Google shopping, [myplumber.com], [plumbing supply websites], and other online stores that sell the Company's Products;
- Any online seller websites that advertise or otherwise promote the Company's Products.

Online Sales. You are allowed to sell online on emarketplaces like Amazon or eBay, but can't sell below the suggested retail price (**SRP**). You may say "Please call for best price." You may also provide a price below the **SRP** in a shopping cart so long as the shopping cart's URL is coded dynamically.

For online sales and advertising, the distributor is authorized to advertise and sell the Company's Products on the distributor's or third-party marketplaces (such as Amazon or eBay) or any other forum or media (including social media like Facebook). The distributor is not allowed to advertise or otherwise promote any out of stock or discontinued Products. It is the distributor's responsibility to review and monitor the Company's websites, including, *but not limited to*, the Mainline Collection (www.mainlinecollection.com) and the Luxart Collection (www.luxartcollection.com), to determine whether any given Product the distributor is selling has been discontinued.

Online Prices. The distributor is free to sell the Products at whatever price it feels is appropriate. This Policy does not set the price by which the distributor may sell its product to its customers. The distributor may advertise online only at or above the **SRP** as provided in the product catalog on the Company's websites, for the Mainline Collection (www.mainlinecollection.com) and for the Luxart Collection (www.luxartcollection.com). If the distributor does not wish to specify the SRP online, it may advertise no price or "Please call for Pricing." The distributor may provide the final price, even if less than SRP, in the shopping cart so long as the uniform resource locator (**URL**) of the shopping cart is dynamically named and accessible by a user only once.

Specials. This Policy does not apply to products with marked-out or special pricing. In order to qualify as marked-out or special pricing, the advertisement or promotion must include a statement of the reason for the marked-out or special pricing. The only acceptable reasons for marked-out or special pricing are: returned product or damaged product. Distributors may offer promotions on other terms like shipping, tax, handling, and financing, for example. This Policy applies even if the distributor is going out of business.

Unilateral Policy. The adoption, implementation and enforcement of this Policy is solely the Company's decision and responsibility. No employee or representative of the Company is authorized to discuss, modify or obtain agreement as to the terms or conditions of this Policy. Any questions about this Policy should be directed to the Director of Private Label Brands. This Policy is subject to revision at any time. The Company will unilaterally determine whether any products are being advertised in violation of the Policy and will take action as warranted. Each distributor is free to decide whether to follow this Policy. All pricing listed on any internet site, including the "shopping cart," is considered advertised price and therefore must comply with this Policy.

Violations. The first time a distributor violates this Policy, the distributor will receive a written or email notice of the violation. The distributor will be given a period of 15 days from the date of the written or email notice to make the required changes to become compliant with this Policy. If after 15 days from the date of the written or email notice the distributor is still not in compliance, the distributor will receive a second written or email notice. The distributor will be given a second period of 15 days (for a total of 30 days) from the date of the second written or email notice to make the required changes to become compliant with this Policy. If after 15 days from the date of the second written or email notice the distributor is still not in compliance, the distributor will be terminated. The Company will cease to supply all Products to the distributor, and the distributor will be required to return to the Company all promotional and other goods and intellectual property belonging to the Company. The Company will take immediate and appropriate action to ensure that the Company's trademarks and other intellectual property have been removed from the distributor's website and other promotional material. The company will unilaterally decide when or whether to reinstate a terminated distributor.

Trademarks. MAINLINE, LUXART and HAJOCA are among the many trademarks of Hajoca Corporation or its affiliates ("Hajoca"). If granted permission to use any of Hajoca's trademarks, please keep in mind that Hajoca reserves the right in its sole discretion to terminate or modify your permission and/or to take action against any impermissible use for any reason, including use that does not conform to the Brand Guidelines <http://mainlinecollection.com/infopage.aspx?c=Resources>, infringes on any Hajoca intellectual property or other right, violates applicable law, or use in a disparaging or unfavorable light.