

## Minimum Advertised Pricing Policy

### For Customers in the United States

Effective February 1, 2010

KW Automotive appreciates the network of distributors, dealers and retailers (resellers) that have built the strong reputation of the KW Suspensions brand. KW Suspension products are advertised, marketed and sold using copyrighted materials, trademarks, and trade names that are owned by KW Automotive North America Inc. This Policy recognizes the value of resellers that dedicate resources to support and promote KW Suspensions premium products to the marketplace. Such valuable services include, but are not limited to: educating customers and professionals on the qualities and features of KW Suspension products, maintaining an adequate inventory of product; ensuring excellent service to the customer; and providing quality promotional efforts, including but not limited to promotional displays at their place of business to advertise KW Suspensions in the market. KW Automotive North America implemented the special advertising requirements below to support resellers in achieving KW Automotive North America goals of protecting its image and reputation, promoting its brand and providing excellent service. KW Automotive North America will begin to enforce this Policy on **February 1, 2010**. We strongly encourage all resellers to immediately begin to make changes to implement this policy.

The Minimum Advertised Pricing Policy for KW Automotive North America is as follows:

1. **AFFECTED RESELLER:** This Policy applies to any U.S. based reseller of KW Suspension Products.
2. **AFFECTED PRODUCTS:** KW Automotive has established a Minimum Advertised Price for all KW Suspension brand products. The products affected by the MAP policy are subject to change without notice.
3. **DEFINITIONS:** "Advertising" as referred to in this Policy includes all advertising messages and communications, whether oral or written, regardless of the media used that are initiated or created for exposure to the consuming public (more than one person). Print communications (flyers, catalogs, etc), on the internet, radio or TV, direct mailings and bill boards are types of communications subject to this Policy. This is not a complete list of Advertising mediums. "Advertised Price" means the stated price less all discounts, coupons, allowances, and free goods and/or services offered with the Company's products.
4. **ADVERTISING REQUIREMENTS:** KW Suspension products may be sold at any price the reseller chooses. Advertisements and/or promotions do not have to feature a selling price, and can include advertising statements like "have the lowest prices", "meet or beat any competitor's price" or "call for a price". However, for direct customers to maintain program discounts and Co-Op funds from KW Automotive North America, the advertised prices must be at or above the suggested minimum levels set by KW Automotive North America Inc.

# ***KW automotive***

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- a. Retail: (Includes Internet and Mail Order) Any KW Suspension product advertised at the retail level below the current KW Automotive North American MSRP would be in deviation of this Policy.
- b. Wholesale/Trade: Any KW Suspension product advertised at the wholesale/trade level below the current Suggested Jobber price less 10% would be in deviation of this Policy.
- c. Suggested minimum advertised pricing levels are strongly recommended for resellers that buy directly or indirectly from KW Automotive North America. KW Automotive reserves the right to enforce such pricing levels and the associated requirements through loss of discounts, loss of co-op funds, and up to and including cessation of sales, at any and all levels of the distribution channel.
- d. KW Automotive reserves the right to exempt or suspend a product or part number from the MAP Policy for any reason, including inventory reduction, model closeouts, promotions, etc.

5. **LIMITATIONS OF POLICY:** The Minimum Advertised Pricing Policy only applies to advertised prices and does not apply to the actual sales price. This Policy is not intended to affect resale prices or require a certain 'list price'. This Policy does not establish maximum advertised prices, or require that a specific price be advertised.

6. **NON-COMPLIANCE:** Failure to comply with the MAP Policy shall result in:

- a. Resellers (direct and indirect customers) receiving a written warning after a MAP Policy violation is confirmed for the first time.
- b. Upon confirmation of a 2<sup>nd</sup> failure to comply with the MAP Policy, direct customers will forfeit program discounts outlined in the current Terms Sheet document for a period of 90 days, immediately following the date the direct customer is notified of the deviation.
- c. Upon confirmation of a 3<sup>rd</sup> failure to comply with the MAP Policy, direct customers will have any outstanding orders cancelled, and their current account status with KW Automotive maybe be cancelled.

7. **DISCLOSURE:** The terms of this MAP Policy are confidential and should not be disclosed to the general public. Public disclosure shall constitute non-compliance of the MAP Policy and is Subject to Section 6 above.

8. **CONTACT:** Questions regarding the MAP Policy or to report a violation should be submitted to MAP@kwautomotive.com. All questions must be in writing.

brands of KW automotive North America, Inc. — www.KWautomotive.com

