

## 2019 MINIMUM ADVERTISED PRICE POLICY

### INTRODUCTION

MTI Baths, Inc. (“MTI”) is committed to maintaining the superior quality and integrity of its line of whirlpools, air baths, soaking baths, and other related products and accessories (“MTI Products”). MTI has developed the following minimum advertised price policy (“MAP”) for its Dealers in order to promote advertising practices that preserve and enhance the reputation of MTI Products for impeccable quality, innovation and unique customization, and thereby encourage the long term success of MTI and its distribution network.

### MINIMUM ADVERTISED PRICE

The MAP is defined as 0.75 times the current List Price as published by MTI. The MAP is established by MTI, and may be adjusted by MTI at its sole discretion, and is available upon request.

### SCOPE OF POLICY

This policy prohibits all Dealers of MTI products from advertising below the MAP. Further, the policy applies to advertising of all MTI products by Dealers in any external media including, but not limited to: radio, television, internet, print, and in any form, such as direct mailings, catalogs, price lists, flyers, group faxing, group emailing and trade show signs and brochures (collectively, “Advertisement Medium”).

This policy applies strictly to advertised prices and does not in any way restrict the Dealer’s ability to determine its own resale prices. Moreover, the policy is not intended to prohibit any Dealer from providing below MAP quotations on an individual basis in response to a specific request for quotation by an individual customer; provided such response is not automated and is given by person-to-person communication. Further, Dealers may indicate on their websites for MTI Products that customers may contact the Dealer for a price quotation.

Dignified phrases such as “Call for Price” or “We Offer the Best Prices” may be used to alert potential customers that the actual selling price may differ from the MAP. This does not mean that customers of Internet-based dealers may “click” for pricing other than MAP; such an electronic means of conveying the actual selling price, before or after the “shopping cart” or other similar checkout feature is not a final sale and therefore is considered to be advertising, and would violate the terms of this policy.

Phrases such as “We’ll Beat any Offer,” “No Reasonable Offer Refused,” “Prices Slashed on MTI,” “The Cheapest Prices Available,” “Price Too Low to Print,” “New Low Price” or other phrases in similar wording, tone, or intent, are not permitted in any Advertisement Medium as such price-based language tends to cheapen the image of MTI Products.

### ADMINISTRATION OF MAP POLICY

This is a unilateral policy and it will be administered and enforced by MTI in its sole discretion. The MAP for any MTI Product will be determined by MTI and communicated to Dealers by MTI from time to time. No external complaints or reports concerning this policy are solicited by MTI, nor will any such external complaints or reports be used by MTI, as a basis for enforcement of the policy. No employee or representative of MTI will discuss or negotiate this policy with individual Dealers, other than to advise Dealers regarding the administration of the policy. Questions regarding the policy should be directed to MTI via email at [info@mtibaths.com](mailto:info@mtibaths.com).

### VIOLATION OF MAP POLICY

While Dealers have the complete freedom to resell MTI Products at any price and to advertise MTI Products, if MTI verifies that a Dealer is advertising MTI Products below the MAP or is otherwise violating this policy, MTI will impose the following penalties:

- Upon the first violation, MTI will notify the Dealer of such violation.
- Upon the second violation, MTI will increase the selling price of MTI products to the Dealer.
- MTI may cease selling MTI Products to the dealer and terminate its relationship with the Dealer if violations continue.

Separate violations will be deemed to have occurred if a violation continues after MTI has notified a Dealer of such a violation (e.g., the same offending advertisement runs on multiple occasions or in different media). The preceding enforcement measures are necessary to protect MTI’s reputation and the integrity of MTI Products.

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### **OTHER VIOLATIONS**

The following practices will also be treated as violations of the policy, on the basis that they violate the spirit of the policy and may be used to circumvent the policy:

- The use of any rebate, discount, coupon, promotion, giveaway or incentive in any advertising by a Dealer where the cumulative effect is to reduce the advertised price of any MTI product below its MAP.
- The use of “click on” or “click through” buttons on a website, or any similar buttons or automated price quotation transmission feature to provide automatic price quotations at below the MAP for any MTI Product.

### **DEALERS WITH MULTIPLE LOCATIONS**

For Dealers with multiple store locations, a violation of this policy by any one store location shall be considered a violation by the entire distributor.

### **AMENDMENTS**

- MTI reserves the right to amend this policy and/or its minimum advertised prices at any time upon prior written notice to its Dealers. Amendments to the policy will not apply to any Dealer advertising that has already been prepared and is scheduled for delivery within thirty days after the date that MTI gives the Dealer notice of the amendment. The thirty day period notwithstanding, Dealers are responsible for observing the current version of the policy as well as the current MAP for all MTI Products.
- Any dealer must have written consent from MTI to sell any MTI product on a website.
- Any MTI product sold by a non-authorized MTI dealer will not be accompanied by MTI's new product warranty.