

Internet Sales Policy

Effective: October 3, 2016



Metroflor Corporation ("Metroflor[®]") is proud of its well-deserved reputation as a seller of innovative, high-quality flooring products. We appreciate the efforts of the distributors and retailers that have supported our products and that have helped cement consumer confidence in our brands and in our company by providing the highest levels of service and value, both of which are pivotal to success in the very competitive environment in which we all conduct our business.

To serve the long-term growth of our brands, Metroflor[®] believes it is vital that consumers receive the service and support that we expect will be provided by our distributors and by the retailers to which our distributors sell. The public is not well served, and our products are not properly marketed, when they are sold over the Internet by those who ignore Metroflor's marketing philosophies.

This Internet Sales Policy ("Policy") is intended to alert all of you to our concerns and policies relating to Internet retailers of our products, and to protect the prestige and goodwill of Metroflor[®], and to encourage authorized Metroflor[®] flooring distributors ("Authorized Distributors") to continue to provide high levels of service.

Consistent with this Policy, Metroflor[®] will implement a tracking policy to monitor where our products are shipped and sold.

MINIMUM ADVERTISED PRICING (MAP)

Metroflor[®] is concerned about Internet retailers that do not maintain a facility for displaying, promoting, and servicing our products, and instead seek to free-ride on those retailers that perform these functions. In order to protect the integrity of its brands, and to ensure quality service at retail for the consumer, as part of this Policy, Metroflor[®] is announcing Minimum Advertised Pricing (MAP) for its flooring products.

Price Lists that detail MAP for particular products can be obtained by registering and logging on to the Partner Portal section of our website at www.metroflorusa.com. These price lists are periodically updated. In order to remain in compliance with the Minimum Advertised Pricing aspect of this Policy, an Authorized Distributor shall only distribute Metroflor[®] products to those retailers that advertise prices on their websites that are no less than the Minimum Advertised Pricing for those Metroflor[®] products for which such pricing has been established by Metroflor[®].

If prices are advertised on the Internet, we do not view it to be consistent with our efforts to properly serve consumers if: (i) there is an attempt to hide prices by advertising "click for pricing," "get discount at checkout," "email for pricing," "call for pricing," or similar terms; and/or (ii) prices are affected by coupons, discounts, negative shipping charges, or similar practices.

The Minimum Advertised Pricing aspect of this Policy will be administered unilaterally by Metroflor[®]. Metroflor[®] does not seek, and will not accept, any agreement by an Authorized Distributor to comply with Minimum Advertised Pricing. We urge our distributors to select their Internet customers with care, and to deal with them in a lawful manner, while also recognizing Metroflor's ability to refrain from conducting business with any distributor that sells Metroflor[®] products to Internet retailers that fail to adhere to the Minimum Advertised Pricing aspect of this Policy.

CONSEQUENCES OF VIOLATING THE MINIMUM ADVERTISED PRICING

Metroflor[®], at its sole discretion, will determine whether or not an Internet retailer has advertised and/or sold Metroflor[®] products, via its website, at prices that are below Minimum Advertised Pricing, and/or has otherwise violated this Policy.

In the event that Metroflor[®] determines that an Internet retailer has advertised and/or sold a Metroflor[®] product below Minimum Advertised Pricing, Metroflor will:

First Violation & First Notice

Metroflor[®] will notify all Authorized Distributors that the Internet retailer is advertising and/or selling Metroflor[®] products in a manner inconsistent with this Policy, and that any Authorized Distributor's shipping of a Metroflor[®] product to said Internet retailer violates this Policy.

Second Violation & Second Notice

Metroflor[®] will notify any Distributor still acting in violation of this Policy that they have forfeited any Marketing Funds they would have accrued from orders for that category of Metroflor[®] products. Loss of Marketing Funds will apply to orders invoiced during the next thirty (30) calendar days.

Third Violation & Third Notice

Metroflor[®] will notify any Distributor still acting in violation of this Policy that they have forfeited any Marketing Funds they would have accrued from orders for all categories of Metroflor[®] products. Loss of Marketing Funds will apply to orders invoiced during the next thirty (30) calendar days.

Fourth Violation & Final Notice

Metroflor[®] will notify any Distributor still acting in violation of this Policy that they have been indefinitely suspended from participation in the Marketing Fund Program. As a result, said Distributor is: 1) no longer able to accrue funds into their Marketing Fund; 2) no longer able to redeem funds out of their Marketing Fund, even if said funds had been accrued prior to any Violation and corresponding Notice.

NOTICE TO DISTRIBUTORS

Metroflor[®] retains the right to notify Authorized Distributors of any violation of the Internet Sales Policy, and to identify offending Internet retailers.

Any questions or concerns about this Policy should be made to Metroflor[®] via e-mail at internetcompliance@metroflorcorp.com

Authorized Distributors should not contact Metroflor[®] management or Metroflor[®] sales representatives to discuss this Internet Sales Policy.

Policy for Metroflor[®] Products Purchased Over the Internet

Metroflor[®] flooring products are primarily sold through traditional floorcovering retailers, including Metroflor's network of Aligned Dealers. Aligned Dealers are retailers that have gone above-and-beyond to support Metroflor[®] and the products we offer by way of enhanced merchandising options that provide for a better customer experience. Just visit metroflorusa.com and use the "Dealer Locator" search tool to find the Metroflor[®] retailer closest to you.

In addition, there are various retailers on the Internet that also sell Metroflor[®] products. While some websites are operated by retailers that maintain physical stores and provide superior service and knowledge of Metroflor's products, other websites are operated by "Internet-only" retailers that do not provide such services.

While some of these "Internet only" websites offer "low" product prices, the total cost can end-up being higher than what you might pay at an internet retailer that also maintains a traditional brick-and-mortar store. This is due to the fact that shipping and handling charges from "Internet only" retailers can wind-up being rather expensive for hard-surface flooring (a relatively heavy product). Thus, what appears to be a bargain often turns into quite the opposite.

Metroflor[®] believes that the Internet is a useful tool for researching companies and the products they manufacture. As such, Metroflor[®] encourages consumers to visit our website at metroflorusa.com. There, they will find technical information and performance & design guidance to help determine the products that are appropriate for their needs. In addition, we also provide a list of trained, professional retailers from which our products can be purchased with confidence. When it comes to purchasing your floor, be it over the Internet or in-person, Metroflor[®] recommends that you deal with a retailer that maintains physical stores, prominently displays our products, and has a trained staff to work with you in a consultative fashion. There is no substitute for personal, professional service and installation.

If you elect to purchase your Metroflor[®] flooring product through an Internet only retailer, kindly note that your product will only be covered by a 1-Year Warranty for Wear, Fade, Stain, and Manufacturing Defect. Conversely, should you choose to purchase your Metroflor[®] flooring product through our network of trained dealers (who will help you choose the right product for your specific needs), your product will be covered for the full duration of our warranty. Please visit the "Download Center" on the metroflorusa.com website to obtain a copy of the warranty offered for each of our brands.

Retailers that purchase Metroflor[®] products from our Authorized Distributors provide:

- Up-to-date flooring samples to showcase the latest flooring-design trends and innovations
- Specialized knowledge to help you make the best flooring decision for your needs
- First-quality flooring products backed by Metroflor[®] Corporation's full warranty

