

KYB MINIMUM ADVERTISED PRICE POLICY

These revised terms of KYB Americas Corporation's Minimum Advertised Price Policy ("Policy") establish certain rights of KYB Americas Corporation and its affiliates ("KYB" or the "Company") and obligations of KYB's authorized distributors ("Distributors") with respect to the advertising of KYB ride control products. These products are premium, branded products. In order to better communicate the superior quality of our products to end users and consumers, the Company expects its Distributors to use best efforts to promote and market the features of KYB products. It is our policy that the price of KYB ride control products should be advertised according to the terms of this Policy.

Policy Summary

The Company, in its sole discretion, reserves the right to discontinue doing business with, reduce or eliminate promotional assistance, and temporarily or permanently cease accepting orders from any Distributor that:

- 1) Advertises the Company products at a price below the Minimum Advertised Price (MAP) as defined in this Policy,
- 2) Violates any other term of this Policy; or
- 3) Resells the Company's products to a customer that the Distributor has reason to believe will violate any term of this Policy.

All of our Distributors must ensure their continuous compliance with this Policy.

Company Objectives

The Company is a leader in the design and manufacturer of ride control products. This Policy is intended to ensure that these products are effectively promoted and to ensure that the advertising of the Company's products is accurate and non-deceptive and appropriately highlights the products' features, benefits, quality, and value. Moreover, the products are technical, and require our Distributors to invest time and effort to understand the features of the products to be able to convey this information to customers. This Policy serves to encourage our Distributors to invest in the promotion of KYB Products in favor of our competitor's products.

Scope of Policy

The Policy as established by the Company in this document and accompanying FAQ applies to all of its Distributors as defined below. This Policy replaces any prior policy of the Company.

The Company has unilaterally adopted this Policy. Nothing in the Policy is intended to be, or should be construed as, an agreement as to the prices at which a Distributor will sell the Company's Products (as defined below) or advertise the Company's Products. A Distributor may sell the Company's Products for less than the Minimum Advertised Price (as defined below).

Effective Date

This Policy, as revised, will be effective as of October 1, 2017.

Definitions

1. For purposes of this policy, "Advertisement" does not include:
 - 1.1 In-store communications between a Distributor and a Customer;
 - 1.2 In-store displays, advertising, or sale prices visible only to Customers within the store;
 - 1.3 Live, one-on-one, non-automated telephonic communications initiated by a Customer; or
 - 1.4 Individualized, non-automated e-mails between Customer and a Distributor initiated by a Customer.
2. "Customer" means and includes individuals and businesses that have purchased, might purchase, or are being solicited to purchase the Company's Products for their own use or for resale.
3. "Distributor" is a business and any locations thereof that is authorized by the Company to purchase and resell the Products.
4. "Minimum Advertised Price" or "MAP" means a price lower than sixty-eight percent (68%) of the Reference Price of the Product. The Company may change this Minimum Advertised Policy from time to time in its sole discretion. If a Product is offered or sold as part of a package, the advertised price of the package must be no lower than the combined MAP of products in the package.

5. Policy Administrator means the individual selected by the Company. The Policy Administrator may be contacted at information@kyb.com.
6. "Products" means all the Company Products identified on the Company Distributor Price List, as amended from time to time. Products do not include discontinued items as determined by the Company from time to time in its sole discretion.
7. "Reference Price" means the price for each Product established by the Company and available at the KYB customer portal or local KYB Sales Manager. The Reference Price may be changed from time to time by the Company in its sole discretion.

Terms of the Policy

1. Except as otherwise expressly provided in this Policy, it shall be a violation of this Policy for a Distributor to include any prices below the Minimum Advertised Price in its Advertisements of Products.
2. A Distributor may not permit or cause a Product to be sold to any Customer or other person or entity that the Distributor has reason to know is advertising the Products below the MAP, will advertise the Products below the MAP, or will violate any other term of this Policy.
3. The Products and their corresponding Minimum Advertised Price are based on the current and effective Reference Price. The Company, in its sole discretion, may change its Reference Price List at any time.
4. The Company, through the Policy Administrator, will unilaterally administer and enforce this Policy. Distributors that violate this Policy will be subject to enforcement actions including, but not limited to, refusing to accept purchase orders from a Distributor. Any decision of the Company, including enforcement decisions, are final and not subject to any appeal.
5. Advertisements that do not include specific prices do not violate this Policy. For example, it is not a violation of this Policy to advertise that a Distributor has the lowest prices, or will match competitors' prices, or use similar language.
6. A Distributor may advertise that Customers may call the Distributor for a price quote. "Call for Price" is limited to a live, one-on-one telephonic communication initiated by a Customer.
7. A Distributor and Customer engaged in direct communication, in person or by telephone, may agree to sell a Product at any price.

8. This Policy and its terms are Confidential and shall not be disclosed without the consent of the Company. Any request to disclose the Policy or any of its terms should be directed to the Policy Administrator.
9. In the event that any provision of this Policy is found to be in violation of local, state or federal law, the remaining provisions shall continue in effect.

FAQ

Q1: Why has the Company revised this Policy?

A: The Company continually seeks to encourage its Distributors to undertake advertising and promotional activities designed to enhance the presentation and market awareness for its Products. Customers rely on advertising materials to determine the value of a product. The updates to this Policy reflect changes in the marketplace and are intended to ensure that the advertisement and introduction of the Company's Products will highlight their features, benefits, and quality, rather than just their competitive price.

Q2: What does "unilaterally" mean and why is it important?

A: Unilaterally means one-sided, independent or alone. The point is that there is no agreement or joint decision between any Distributor and the Company to resell or advertise the Products at any set price. Each Distributor must independently and unilaterally set its own pricing. To avoid any implication that Company is agreeing with a Distributor on pricing, for the protection of the Company and Distributors, there shall be no discussion or negotiation between the Company and any Distributor regarding a Distributor's sale price.

Q3: When does the revised Policy go into effect?

A: This revised Policy will go into effect on October 1, 2017 and will remain until such time as you receive written notice from the Company that it has been terminated or modified.

Q4: Which of the Company's products does this Policy cover?

A: The Products covered by this Policy will be determined by Company and will be indicated on the Reference Price List.

Q5: Does this Policy place any restrictions on a Distributor's actual selling price?

A: No. Distributors are free to sell any of the Company's products, including the Products, for whatever price they choose.

Q6: Does this Policy apply to sale prices displayed on merchandise in my physical, bricks-and-mortar store?

A: No. The Policy does not apply to physical in-store displays, in-store advertising or sale prices posted in your physical, bricks-and-mortar store. The Policy also does not cover in-store conversations between you and your Customers.

Q7: Does this Policy apply to sale prices displayed on my website?

A: Yes. All web-based posted prices (including "shopping cart" prices that are displayed when a Customer clicks "add to cart") are within the scope of the

Policy. A Distributor may display prices on its website (including the display of prices in an “add to cart” feature), but these prices must comply with the Minimum Advertised Policy.

Q8: Can I use a “Call for Price” or “Email for Price” feature on my website?

A: Yes. A price quoted in a live, one-on-one telephonic communication (i.e., not automated) initiated by a Customer is not considered an “Advertisement” under the Policy. In this situation, as with a Distributor speaking directly to a Customer in a face-to-face communication, a Distributor can quote a price below the Minimum Advertised Policy without violating the Policy.

Q9: Does an Advertisement that on its face offers a percentage or dollar discount off all items available from the Distributor (for example, all items in the Distributor’s physical bricks-and-mortar store) violate the Company Policy?

A: Yes. Any Advertising that leads to a price below the Minimum Advertised Policy is considered a violation of the Policy even if the Advertisement does not reference any specific Products. You should use wording in your special promotions that excludes the Company’s Products.

Q10: What happens if an advertisement does not meet the terms of the Policy?

A: Distributors that violate this Policy may lose their eligibility to purchase Products for an unspecified period, or may be subject to termination, as determined by and at the sole discretion of the Company.

Q11: Will the Company ever change the Products or the Minimum Advertised Policy for those products?

A: Yes. The Company reserves the right to change this Policy, change the Reference Price, and add or remove products. Information about these changes will be available on the KYB Customer Portal.

Q12: Would advertising without any reference to price violate the Policy?

A: No. It would not violate the Policy to Advertise without a price.

Q13: Are there any exceptions to the Policy, such as advertising in special competitive situations?

A: No.

Q14: How will the Company know if a Distributor’s Advertisement violates the Policy?

A: The Company reviews advertising by its Distributors on an ongoing basis.

Q15: What happens if only one location of a Distributor violates the Policy?

- A: If it is the Company's determination that an advertisement placed by one retail location or outlet violates the Policy, then enforcement action may be applied to the entire chain.
- Q16: May a Distributor appeal the Company's decision regarding a violation?
A: No. The Company's decisions cannot be appealed or negotiated.
- Q17: What if a Distributor has documented evidence of a violation by another Distributor?
A: The Company assumes sole responsibility for enforcing the Policy and does not solicit or seek from any Distributor any information about another Distributor's compliance or non-compliance. The Company's sales managers are not authorized to accept information from one Distributor relating to an alleged violation by any other Distributor. In the event that a Distributor submits such information to the Company, the Company will not discuss the alleged violation with that Distributor, or otherwise report to the Distributor the action (if any) taken as a result of the report.
- Q18: What role will the Company's sales managers play in administering the Policy?
A: None. No Company representative or agent is authorized to confirm compliance with the Policy. The Distributor is solely responsible for its compliance with the Policy. Any statements to the contrary by any Company sales manager are expressly unauthorized and disclaimed by Company.
- Q19: What happens if the Distributor insists on discussing or negotiating some aspect of the Policy despite the restrictions?
A: The Company may view such activities as a violation of the Policy.
- Q20: How will a Distributor be informed of a violation?
A: A Distributor will receive written or oral notification of any violation of the Policy and any enforcement action, including termination, taken by Company in response to such violation.
- Q21: What if a Distributor, or one of its employees, or its media representative, inadvertently violates the Policy?
A: It is the Distributor's responsibility to advertise according to the terms of the Policy.
- Q22: What if I have questions about the Policy that are not covered in this document?
A: All questions regarding the Policy should be directed to the Policy Administrator.