

POLICIES

INTERNET

Empire Comfort Systems has built a strong reputation and following among consumers. Empire will not support internet advertising that has the effect of diminishing or detracting from the perceived value of Empire's products.

PROPOSITION 65

All e-commerce websites must include warning compliant with the California Safe Drinking Water and Toxic Enforcement Act of 1986, commonly known as "Proposition 65," on the product display page for each Empire unit, parts, or accessories. This warning must be presented in a manner that clearly associates the warning with the product. In order to satisfy Proposition 65's requirements for online warnings, we recommend using the word "WARNING" with a hyperlink to www.p65warnings.ca.gov.

MINIMUM ADVERTISED PRICING

Empire has established the following minimum advertised price ("MAP") internet policy on all Empire products. The policy applies to all customers.

The MAP internet policy will operate under the following guidelines:

1. Pricing may not be advertised on the internet at a price that is less than Empire's published MSRP.
2. The MAP internet policy will not apply to discontinued or close-out products.
3. The MAP policy applies to all internet or similar electronic media advertising. Any price information relating to Empire's products on an internet website that can be accessed directly through any hypertext link or by any other method which uses the hypertext transfer protocol (http) is considered to be internet advertising for purposes of this policy. Empire products should be excluded from banner ads, site coupons, or any other method that drops the advertised discount below MAP Policy. Electronic mail sent in direct response to a customer inquiry is not considered to be internet advertising.

4. The MAP policy does not apply to other media, including, without limitation, flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, mail order catalogs, television, radio or public signage, so long as such advertisements do not appear on the internet or similar electronic media. Also, the MAP policy does not apply to in-store advertising.
5. The inclusion in advertising of free or discounted products (whether made by Empire or another manufacturer) with a product covered by the MAP policy would be contrary to the policy if it has the effect of discounting the advertised price below MAP.
6. The MAP policy applies only to advertised prices and does not apply to the price at which the products are actually sold or offered for sale. Empire customers remain free to sell these products at any prices they elect.
7. The MAP policy does not establish maximum advertised prices. All customers may offer Empire products at any price in excess of the MAP established for such product.
8. Empire's MAP policy does not in any way limit the ability of any customer to advertise that "they have the lowest prices" or, they "will meet or beat any competitors price," that customers should "call for a price" or phrases of similar import, as long as the price advertised or listed for the products is not less than MAP.
9. From time to time, Empire may discontinue models or engage in promotions with respect to certain products. In such events, Empire reserves the right to modify or suspend the MAP with respect to the affected products by notifying all customers of such change. Empire further reserves the right to adjust the MAP with respect to all or certain products at its sole discretion upon thirty days advance written notice to customers, provided that such changes shall apply equally to all Empire customers.
10. Empire customers are responsible for communicating this MAP policy to their customers involved in internet sales, and are responsible for ensuring that they ship only to companies that are in compliance with this MAP policy.
11. For customers that do not abide by the MAP internet policy or sell to internet retailers that fail to abide by the MAP policy, Empire's unilateral policy is to cease supplying such customer with the product or products. In cases of intentional and/or repeated violation of this MAP policy, Empire may choose to terminate a customer account.

12. Empire does not intend to do business with customers who degrade the image of Empire and its products. Empire will not provide notice or issue warnings before taking action under this MAP policy. Empire will consider each violation based on its own merit, and any decision by Empire to cease supplying products to a customer or to terminate a customer account cannot be appealed. Empire may unilaterally decide to review the status of a customer after an independently determined period of time.

13. The terms of this MAP policy are confidential, and should not be disclosed to parties other than Empire customers.

The foregoing is a statement of Empire's unilateral policy and expresses the terms upon which Empire deals with its customers. This policy may be modified by Empire from time to time. Neither Empire nor its salespeople will solicit or accept any agreement by a customer to comply with this MAP policy.

This MAP policy has been established by Empire to help ensure the legacy of Empire as a top producer of high-performance, high-quality heating and fireplace products and grills and to protect the reputation of Empire's name and products. This MAP policy is also designed to ensure that customers have the incentive to invest resources into services for Empire's customers.

If you have questions regarding this policy, please contact your Empire Sales Representative.