

Lloyd®/Flanders

2009/2010 DEALER MARKETING/INTERNET GUIDELINES

Lloyd/Flanders as a manufacturer and distributor of the highest quality furniture, believes the sale of our products requires the expertise and service our authorized specialty retailers provide. Lloyd/Flanders further believes that its furniture should be sold at fair prices that reflect the high value, distinctive design, and quality of those products and that enables retailers to provide outstanding service to their customers. To support our dealer base and to create a retail environment that is up to date and fair to all of our authorized dealers. Lloyd/Flanders is providing specific guidelines for the advertising, marketing or sale of our products through the Internet, as well as traditional media such as print, radio and television.

We understand that the evolution of the Internet has transformed the speed at which information is gathered, as well as the purchasing habits of today's consumer. In order to allow our retailers to capitalize on this trend, Lloyd Flanders will allow it's dealers to market our product on Internet sites carrying their retail store name.

Lloyd/Flanders will cease doing business with retailers who fail to abide by the following advertising guidelines regarding the use of the Internet:

1. Any advertising or marketing material providing the selling price of Lloyd/Flanders product must be stated at or above our Minimum Advertised Price (MAP). This includes any printed, radio, television, electronic messaging or internet presentation of Lloyd/Flanders or its products. This MAP price will be determined by taking 30% off Lloyd Flanders price list. Only price may be shown on the internet, not a percentage discount.
2. Dealers cannot "sponsor" Lloyd/Flanders on any search. Simply put no sponsored link listings allowed.
3. No use of any words as it relates to pricing can be used in conjunction with Lloyd Flanders product or product images, only MAP prices may appear.
4. All advertising and marketing materials must clearly describe the products being offered, and identify what if any additional charges may apply.
5. No drop shipping, with the exception of cushions and/or repair parts shall occur.
6. All dealers will be expected to service the customer throughout the entire selling and distribution process. This includes any freight claims or warranty inspections regardless of purchasing location.
7. When providing the selling price, no other explicit or implied discounts will be used in any advertising or marketing on the internet.

Note: These guidelines do not apply to in store advertising or marketing materials or to proprietary, custom product, or product discontinued by Lloyd/Flanders.

Any retailer who violates any of the above guidelines will be held accountable as follows:

Violations will result in warnings, removal from the Lloyd Flanders dealer locator; remove links to our website, non-acceptance of orders or termination of dealership. Penalty and sanctions are at the sole discretion of Lloyd Flanders.

Dealers shall not ship to any unauthorized individual or place of business that engages in the sale or redistribution of Lloyd/Flanders product. Nor will any retailer represent or sell Lloyd/Flanders product out of any location that is not authorized by Lloyd/Flanders and/or its local representatives. Any violation of policy will result in immediate withdrawal of an offending dealer's authorization to represent Lloyd/Flanders.

Lloyd/Flanders reserves the right to alter these guidelines, as it deems necessary.

Lloyd/Flanders does not seek, and will not accept, agreement or assurance from any retailer that it will abide by these guidelines. Retailers remain free to sell Lloyd/Flanders products at whatever price they choose. Lloyd/Flanders personnel, as well as Lloyd/Flanders independent sales representatives, have been instructed not to, and may not, discuss this policy with any retailer or other person outside of Lloyd/Flanders, other than as specifically stated in this document. Lloyd/Flanders will determine independently whether its products are being sold in violation of these guidelines and will not discuss its actions toward a retailer with any other retailer.

By signing below, the authorized Lloyd/Flanders dealer acknowledges receipt of this policy. This document is not intended to be, nor does it constitute an offer or, once signed, an agreement of any kind. The information set forth here is provided unilaterally by Lloyd/Flanders.

ACKNOWLEDGEMENT OF RECEIPT:

Store name and address _____

Account number _____ Dealer exempt number _____

Principal's name (please print clearly) _____

Principal's signature _____ Date _____

Lloyd/Flanders' National Sales Manager _____ Date _____