

Victoria & Albert Bath LLC
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February 14, 2006

To: All Victoria & Albert® Distributors

Unilateral Suggested Minimum Advertised Price Policy

This letter outlines the details of a new Unilateral Suggested Minimum Advertised Price Policy that applies to all Victoria & Albert® distributors.

We appreciate the support of our displaying distributors and recognize that you provide a high level of professional service, support and expert information to the trade and consumers alike. It is essential for the development of our brand and business that you are able to give this high level of service, as is the need for products to be advertised and sold at a price that represents fair value to the consumer and enables you and your dealers to obtain a fair return on the investment that you have made in promoting and selling our products.

We believe that certain consumer advertising and promotional practices can be inconsistent with our distribution and marketing policies and undermines the quality image that we are building.

As a means to protect the reputation of the Victoria & Albert® brand and to help our distributors protect their investment, we are announcing this policy effective March 15th, 2006 with respect to internet advertising of Victoria & Albert® products.

On-line resellers of Victoria & Albert products are not authorized distributors, the warranty of products purchased on-line is provided by the on-line distributor and not by Victoria & Albert.

Please ensure that all appropriate people in your organization receive this policy letter. This Unilateral Suggested Minimum Advertised Price policy is subject to change at any time by Victoria & Albert®. You will receive at least 30 days notice of any change.

Thank you for your continuing support.

Sincerely

Edward Taylor
President

Victoria & Albert Bath LLC
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Unilateral Suggested Minimum Advertised Price (USMAP) Policy

Victoria & Albert Bath has adopted Unilateral Suggested Minimum Advertised Price (USMAO) Policy applicable to all Victoria & Albert distributors effective 15 March, 2005 with respect to all advertising the company's products via the internet.

Part A

A Victoria & Albert® distributor remains free to establish its own resale prices. However, a distributor may not advertise or otherwise promote Victoria & Albert® products via the internet at a Net price below the USMAP established from time to time by Victoria & Albert®.

In the event that a distributor violates Part A of this policy:

First Violation – Victoria & Albert® shall cease to drop-ship for the distributor.

Second Violation - Victoria & Albert® shall cease doing business with distributor.

Part B

Victoria & Albert® distributors are not authorized to sell Victoria & Albert® products to entities or persons which advertise or otherwise promote Victoria & Albert® products via the internet at Net prices below the USMAP established from time to time by Victoria & Albert®.

In the event that a distributor violates Part B of this policy:

First Violation – Victoria & Albert® shall cease to drop-ship for the distributor.

Second Violation - Victoria & Albert® shall cease doing business with distributor.

USMAP Level

Victoria & Albert® has established a USMAP of .85 times the current List Price in effect. Net price shall mean the stated price less all discounts, coupons, allowances and free goods or services (including free freight & crate charges) offered with Victoria & Albert® products. Victoria & Albert® reserves the right to change it's USMAP level on 30 days written notice.

Unilateral Policy

Each distributor remains free to determine for itself the resale prices at which it will sell and promote Victoria & Albert® products, and each distributor is free to independently decide whether or not to follow the USMAP policy. Victoria & Albert® does not ask for, nor will it accept, any assurance of compliance or agreement from a distributor regarding this policy, nor will Victoria & Albert® discuss any conditions or acceptance related to this policy. Victoria & Albert® will determine whether products are being advertised in violation of this policy and will implement this policy as is warranted. All decisions by Victoria & Albert® to take action for a violation of this policy are final. There will be no negotiation. This policy does not apply to discontinued merchandise or closeouts as clearly identified by Victoria & Albert®.