
BSH HOME APPLIANCES CORPORATION

January 3, 2008

Dear Valued Dealer:

Enclosed please find the new price lists for BSH products. As previously announced, these new lists for Thermador and Gaggenau include BSH's new **Minimum Resale Price** ("MRP") **Policy**, meaning that all applicable BSH dealers are required to sell such products at retail or above the specified "minimum" price. This new Policy is in conformance with a recent shift in antitrust law which allows manufacturers such as BSH to mandate and enforce an MRP policy.

BSH's specified MRP is firm, and may not be discounted in any manner whatsoever, including by rebate, packaged discounts, cash back, or store gift cards, and the like—doing so would constitute a breach of BSH's MRP Policy. From time to time, BSH may itself run national or other promotions through dealers which may effectively lower such MRP for a set period of time—but the MRP may only be suspended by BSH, not by a dealer. For example, if a dealer wishes to run a "10% off on all appliances", Thermador and Gaggenau products *must be excluded* from such promotion if the 10% discount would effectively lower a price below a stated MRP.

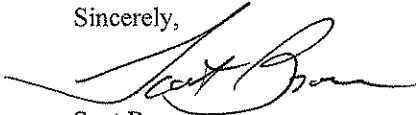
So long as the price at retail stays at or above the MRP, there is no violation of the Policy—and all dealers are free to choose their own price at or above such MRP. Thus, a dealer may choose to offer free installation or delivery, or 0% financing, for example, and this would *not* violate the MRP Policy.

BSH will not discuss the alleged violations of one account with another account; therefore, please refrain from making such complaints to BSH. BSH will actively police and enforce its MRP Policy, including through such actions as suspension/termination of an account, or suspension/termination of certain product lines. If you nonetheless have questions on MRP which must be addressed, please contact Mike Murphy) through *writing only* at BSH's headquarters, 5551 McFadden Avenue, Huntington Beach, CA 92649, and we will endeavor to address your query, if feasible.

This MRP Policy will effectively protect the brand equity of Thermador and Gaggenau, and allow for adequate dealer margins (necessary to allow dealers to properly focus on such high-end, highly-featured products). Thus, MRP is to everyone's benefit—including the customer's, since they will have knowledgeable, skilled, professional dealers able to properly explain the relevant product features.

Thank you for your attention and adherence to BSH's new MRP, and best wished for a highly successful 2008!

Sincerely,



Scot Brown

Senior Vice President of Sales

BOSCH AND SIEMENS HOME APPLIANCES GROUP

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