



Karastan® Make a statement. Your own.™

508 East Morris Street Dalton, Georgia 800 241 4900 www.karastan.com

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What is a brand?

A BRAND IS NOT A CARPET, RUG OR FLOOR TILE. Instead, a brand is an experience we create-and continue to shape and build upon-that leaves an indelible impression in a consumer's mind. It's the sum of opinions formed about a company and its products, people and practices over time.

A brand is also not a logo, a color palette or a font choice, though those visual elements will help define how we'll communicate the Karastan brand to the public. Everything we do, in fact, from advertising to answering the phone, affects our brand and how it's perceived.

In short, a brand is a consumer shortcut to a purchasing decision, a promise made and kept about our company's products and services.

Why brand guidelines?

A STRONG, CONSISTENT BRAND OFFERS GREATER OPPORTUNITIES for growth and profitability, premium pricing, more success with new products and higher customer loyalty.

We've taken great care to develop standards that preserve and define the Karastan image. Though we can't address every communication scenario, these guidelines will help us present a consistent brand identity to consumers in all external communications and new or extended product line considerations.

How to use these guidelines

THIS MANUAL IS DIVIDED INTO SEVERAL KEY AREAS: The Karastan Brand, logo and graphic standards, visual guidelines, corporate identity standards and legal guidelines.

Please refer to this manual when planning future communications and marketing initiatives. Creative materials can be found at www.karastan.com. Click "Dealer," then "Dealer Co-Op," and enter your username.

The Karastan Director of Marketing must approve any deviation from these guidelines. Call (800) 241-4900, ext. 21877, or email connie_berry@mohawkind.com.

The Karastan brand image

THE KARASTAN IMAGE—the most visible component of our brand-has been cultivated over 75 years. Throughout our history, from a single machine-made rug in 1928 to our ever-expanding line of distinctive designs, Karastan has consistently embodied quality, durability, beauty and inspiration.

As the premium brand, Karastan should be made from the best, look like the best, and be presented as the best. Karastan products are made with only the finest raw materials and never compromise on quality. As such, our brand image must be as durable as the products that bear our name.

Superior product quality and styling alone isn't enough to distinguish the Karastan brand. We also provide our customers with the best service in the industry-before, during and after the sale. By setting the standard for the highest level of service, Karastan customers feel better educated, less overwhelmed, and more confident they've made the right decision. "No one's ever treated me this well" sums up our customer's reaction to the brand of service we provide and insist upon.

This combination of delivering uncompromising quality, styling and service has given the Karastan brand a reputation for being the best-consistently. As proud as we are of our past, we keep searching for new ideas, new colors, new fibers, and new machines. Just as time keeps moving ever forward, so, too, does the spirit of Karastan innovation and styling.

The Karastan brand essence

OUR BRAND ESSENCE IS a single-minded embodiment of everything Karastan means to consumers. It's our personality and characterization, the "heart and soul" of our company, the one defining takeaway that every piece of communication grows from. The words themselves are not intended for our customers' eyes, but the spirit of those words is intended for our customers' hearts.

"Beauty That Lasts" captures Karastan's longstanding tradition of quality craftsmanship, while allowing customers to attach their own emotional significance to beauty, be it traditional, contemporary, or somewhere firmly in between.

Karastan's timeless designs allow our customers to feel as though they're always in style and never part of a fashion phase or fad. And because our designs have such integrity, our customers enjoy a pride of ownership that only grows in intensity as the years pass.

The variety of timeless designs makes it easy for customers to express their own personalities. Customers whose style is reflected by understatement will feel as rewarded with Karastan's timeless designs as those who insist on making a splash.

BEAUTY
THAT
LASTS



The Karastan brand promise

“Only Karastan brings classic beauty to everyday living, inspiration to every project, and confidence to every purchase.”

IF OUR BRAND ESSENCE IS THE UNWAVERING SPIRIT BEHIND EVERYTHING WE DO, then the brand promise is how that essence is conveyed to the consumer.

This forms the foundation for the way our brand is positioned in consumers’ minds. It also forms the basis for our unique selling proposition—the one differentiating benefit that all communications must support.

Who is the Karastan customer?

KARASTAN CUSTOMERS ARE INTELLIGENT CONSUMERS. They’re smart, savvy, confident, and mature in the way they think. Their tastes have become more fully developed and they are willing to invest in quality home furnishings.

Our customers are conscious of style and image. They’ve done their homework and choose Karastan because they want the best. This is a primary motivating factor in their decision-making.

Karastan customers are active participants in their own lives and in the lives of others. Further, they are engaged in their home and appreciate what Karastan brings to their home, especially how Karastan helps them express their own style. They view Karastan as a resource that can help them achieve their decorating vision.

How do we speak to our customers?

THE KARASTAN VOICE IS INTELLIGENT AND APPROACHABLE, never aloof or insincere. Our words and messages should inspire and instill confidence, and always be informative and easy to understand.

We should talk *to* our customers, not *down* to them. The tone of voice should be warm, the style easy. Our customers appreciate the personal attention for which Karastan is known, and they welcome guidance in making their selections from sales people who are professional and engaging. Ultimately, they want to know how Karastan will help them create a personal space in which they can make lifelong memories.

EXAMPLE OF COPYTONE IN PRINT:
To come from Dino.

EXAMPLE OF COPYTONE IN RADIO: To come from Dino.

How will the Karastan brand extend into new product lines?

EVEN MORE THAN MARKETING COMMUNICATIONS, our products influence and say more about our brand than anything else. Therefore, any new products, line extensions or other strategic initiatives must be planned and executed in accordance with these guidelines. If it doesn’t enhance or complement the brand, don’t do it. In fact, if there’s any doubt, don’t do it.

To support our brand essence, Karastan products are always positioned as a premium brand, offered only through selective retailers and distributors who are able to support our brand promise. Karastan is always introduced as “branded.” We must develop and maintain the brand at every touch point—marketing and advertising, sales, packaging, point-of-sale, installation, customer service...everywhere. By providing a common and consistent high quality brand experience at every touch point, we increase our competitive position in the marketplace.

Regardless of specific product group, the Karastan brand must always be positioned as the “top of the line” in each category. Therefore, Karastan must always be displayed as a stand-alone—a store within a store—with its own display area and appropriate merchandising to support the premium position.

Finally, to help fulfill the Karastan brand promise, we must inspire our customers through the use of outstanding displays and enthusiastic, knowledgeable sales people who instill confidence in every purchase.



Logo usage and standards

Logo usage

Our logo is the principal element, the cornerstone, if you will, of Karastan’s visual identity. As such, its correct usage is paramount, and may not be changed, redrawn or recreated in any way other than prescribed in these guidelines.

Our logo is comprised of the Karastan logotype with the registered ® symbol, and our tagline with trademark TM. The Karastan logo may be used, depending on the graphic assignment, with or without the tagline: “Make a statement. Your own.™”. The Karastan “K” may not be used as an individual logo interpretation. The logo should be reproduced in corporate colors only.

The two approved versions of the logo and tagline are horizontal, on one line; and horizontal, stacked on three lines. The size and spatial relationships of the logo to the tagline may not be changed or recreated. (See examples)

In extreme circumstances, due to the x-height of the Karastan “K” and the limitations of some publication sizes, the flourishes may be cropped, top and bottom, from the logo. Please consult Karastan’s Director of Marketing before cropping.

The Karastan logo colors

Our preferred logo colors are 100% black, 60% black or PMS 873 metallic gold. If gold is used,

screening is not recommended. The logo may also be reversed out of a solid color on white or an approved paper stock color. The logo should never contain a pattern, photograph or gradation.

A 2-color version of the logo and tagline may be used, as shown. (See page 9.)

Our tagline may be set in a complementary color from the suggested secondary color palette. (See page 11.) However, the logo color should always follow the preferred logo colors.

The Karastan address and website

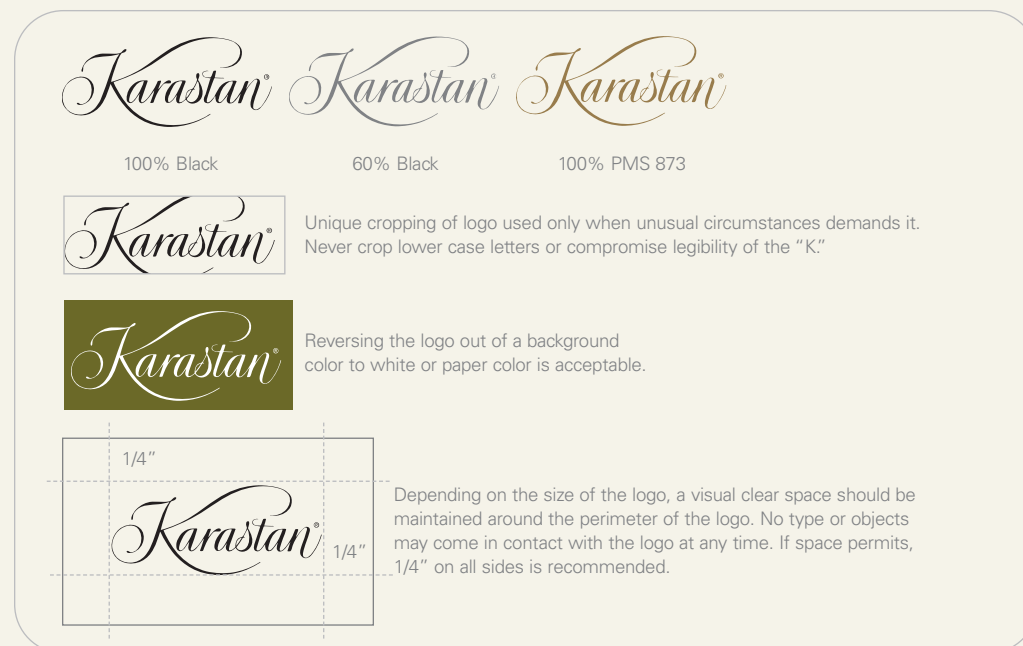
Our address is set in Univers 55, initial cap/lower case, on one line, with point size complementary to the size of the logo. (See back cover for example). No other type may be grouped with the logo, and a .25 clear space around the logo must be maintained at all times. Again, corporate colors or a complementary color should be used.

Our website is a valuable resource for sales people, customers and dealers. As such, our URL should be included on all printed pieces, always in lower case (www.karastan.com).

Electronic files

All Karastan corporate logo artwork is available for download on the dealer portion of the Karastan website at www.karastan.com/???.

Approved Karastan logo configurations and colorizations





Visual guidelines

What does the Karastan brand look like?

Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed diam nonummy nibh euismod tincidunt ut laoreet dolore magna aliquam erat volutpat. Ut wisi enim ad minim veniam, quis nostrud exerci tation ullamcorper suscipit lobortis nisl ut aliquip ex ea commodo consequat.

Karastan photographic point of view

As the strongest visual element of our brand, Karastan’s product photography should feel consistent from one image to the next. In that regard, we’ve established a photographic point of view that will help guide future photography and allow us to categorize shots under a range of settings.

Product documentation

Straight-forward product shots for use in catalogs and other marketing communications.

Product abstract

Close-ups of textures, patterns and colors for use as supporting graphics to main photographs on a given page.

Product in room settings

Shots of various design and decorating styles in the context of a living space. Rooms and locations should represent a range of consumer lifestyles, demographics and financial position.

Product lifestyle

Shots of a Karastan customers at home in natural settings. These images are not portraits; they’re captured moments in people’s lives.

Lifestyle support

Close-ups of people, objects and elements that offer a more detailed view into the activities, lifestyle and decorating elements introduced in other Karastan product and room shots.

Within these broad image categories, we’ll also explore a variety of themes and tones that inspire Karastan consumers to achieve their own design visions. For more detailed descriptions and additional photographic points of view, visit www.karastan.com/???.



Type usage

We’ve chosen typefaces that convey the classic-yet-contemporary feel of the Karastan brand image. Univers, a sans-serif font that offers a clean, modern sophistication; and Weiss, a more classic serif font that hints at old-world elegance.

Primary Karastan typeface: Univers

This is the primary Karastan typeface for all printed communications. The Univers family is a sans-serif typeface chosen for its easy readability and comfortable feel. This face is suitable for headlines, subheads and body copy.

For body copy, use Univers light or Univers 55, set no smaller than 10 points. Use a tracking of –3 and a leading of 15 points. Horizontal and vertical scaling is not acceptable. For brochures and other 4-color printed materials, screen body copy to 60% black. For newspaper publications, use 100% black.

Secondary Karastan typeface: Weiss

Weiss may also be used as a secondary font for body copy as a complement to Univers. Because Weiss has a smaller overall dimension than Univers, body copy should be set one point larger than Univers (no smaller than 11 points). Use a tracking of –3 and leading of 15 points. The same colors apply for printing. Again, do not change the font’s horizontal or vertical scale.

Setting type

For headlines and subheads, use a traditional initial caps style. Do not use all caps or all lower case. Body copy should be set flush left, ragged right, with careful attention to avoid widows, orphans and disruptive line breaks. If necessary to achieve more even line lengths, tracking may be adjusted slightly, but extreme letter spacing should be avoided.

Primary Karastan Typeface

Univers 55 10 pt
abcdefghijklmnopqrstuvwxy
ABCDEFGHIJKLMNopqrstuvwxyz

Secondary Karastan Typeface

Weiss Regular 11 pt
abcdefghijklmnopqrstuvwxy
ABCDEFGHIJKLMNopqrstuvwxyz

Colors

Our chosen color palette maintains the rich traditions of the Karastan brand, conveying warmth, elegance and sophistication. Colors mimic the rich earthy tones found in our distinct carpets and rugs. These colors can complement both traditional and contemporary photography and layouts while allowing for flexibility in design.

Primary Karastan colors

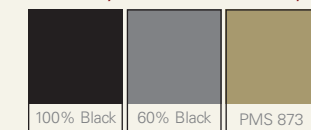
The primary Karastan color palette is 100% black, 60% black and Pantone® Matching System (PMS) 873 metallic gold. When a metallic gold cannot be specified, substitute PMS 1265. In four-color process printing, this color may be simulated by using the following formula: 30:C, 30:M, 60:Y, 10:K.

Secondary Karastan colors

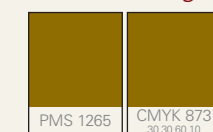
To give the designer more color variety in four-color printing, this suggested secondary palette may be used to create a more contemporary look and complement new and existing carpet and rug palettes.

These colors may be used in brochures, ads and other printed materials. They are deep red, PMS DS 85-1; olive green, PMS DS 315-1; rich brown, PMS DS 320-1; russet, PMS DS 54-1; and khaki, PMS DS 7-8. (See below for specific color specifications.) These colors may be used as accent colors for headlines, subheads and logos, with the exception of PMS DS 7-8, khaki, which is too light to be used as a type color.

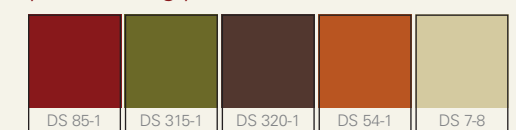
Primary Karastan color palette



Non-metallic gold color choices



Suggested secondary Karastan color palette using process PMS colors



Corporate identity guidelines

Stationery package

The corporate stationery package consists of letterhead, #10 business envelope and business card. Follow these guidelines to ensure consistency across all business communications.

Guidelines for correspondence

The examples below and on the following page, demonstrate live area and margins. When working on a PC, fonts will differ from those available for the Macintosh platform. When forced to substitute for our suggested fonts (Univers, or Weiss), similar typefaces (Arial or Times New Roman) may be used as

long as these guidelines are followed for all correspondence. Use black ink only for text and signatures. Hyphenation is not recommended.

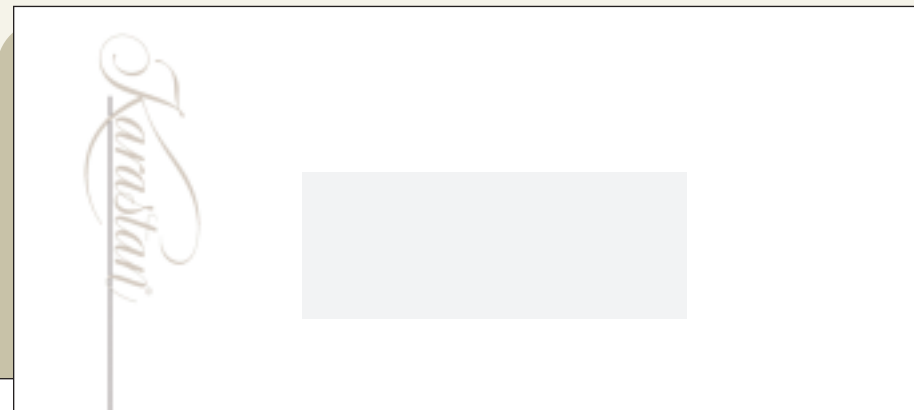
Centralized purchasing and printing

Is there a program for this?

Paper quality

All stationery items should be printed on good quality, laser-compatible, white woven paper (no textured or speckled papers permitted). The precise specification will depend on availability.

Front of 9.5" x 4.125" business envelope
Logo is 1.25" in from left, .25 down from top and bleeds off bottom.



508 East Morris Street - Dalton, Georgia 30721

Back of business envelope with address centered on one line
11 point Minion regular, 100% black

Begin address 2" down from the top and 4" in from the left.

Text is flush left, ragged right, with no indents. Use single spacing between lines and after punctuation. Always use black ink.

Sans serif font: 11 point Univers 55
Serif font: 11 point Minion regular

Back of business card with custom imprinting (?)



Front of 3.5" x 2" business card. All text flush left.
Name: 12 point Minion bold
Title: 11 point Minion italic
Address: 9 point Minion regular



Cardholder's details begin 1.25" in from left and .375" down from top. Eight lines are available for all necessary information.

Back of card is flooded with PMS 873 and customized with brand-affiliated logos. (?)

Begin your letter 1.75" down from the top and 2.125" in from the left. Right margin is 1.375" in from the right. The length of the letter should not exceed 8.25" or overlap the corporate signature at the bottom.

Text is flush left, ragged right, with no indents. Use single spacing between lines and after punctuation. Always use black ink.

Sans serif font: 11 point Univers 55
Serif font: 11 point Minion regular



This 8.5" x 11" letterhead design positions the corporate logo in the upper left-hand corner and the corporate name and address at the bottom right.



Advertising guidelines

Karastan Residential Advertising Policy

Broadloom Carpet and Area Rugs

KARASTAN HAS ESTABLISHED AN IMPORTANT BRAND IMAGE with the retail consumer and it is important that the way in which Karastan products are advertised is consistent with that image. It is with this in mind that the advertising policy is established.

While Karastan believes that it is necessary to maintain certain limitations on dealer advertising, Karastan does not impose similar controls or limitations on the price at which Karastan products are sold. Karastan Dealers are free to price Karastan products at the price they choose. It is the responsibility of the dealer to substantiate comparative advertising strategies and to be in compliance with all applicable laws.

Effective January 1996, Karastan no longer publishes a "Manufacturers Suggested Retail Price" on any of our products. We have however, established a "Minimum Advertised Price," affecting how Karastan products are advertised.

Karastan Area Rugs

Karastan reserves the right to establish and publish minimum advertised price on any or all area rug collections. Karastan dealers are required to adhere to our minimum advertised prices, when advertising these products.

Karastan Broadloom Carpet

Karastan does not set a minimum advertised price on individual broadloom products, however, no Karastan Broadloom Carpet may be advertised at prices less than \$14.95 per square yard (\$1.66 per square foot) carpet only. Installed prices must allow for local "normal value" for pad and installation.

The maximum allowable advertised discount (including store coupons) is 40%. During National Karastan Month, the maximum allowable discount is increased to 50% and Karastan may at its discretion, establish additional special events with varying discount maximums.

Discontinued and off-quality Karastan products may not be advertised.

Karastan Dealers may not advertise in the classified section of any national or regional publication such as shelter or decorating magazines.

Any Karastan Dealer found in violation of the policy will forfeit all accrued co-op funds for 6 months. If a dealer violates the policy for a second time, they will forfeit accrued co-op funds for 12 months. A third violation will lead to termination of our business relationship.

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