

WATTS UNILATERAL INTERNET MINIMUM ADVERTISED PRICING POLICY

Watts has worked hard to ensure that all of our online dealers, distributors, and other online resellers of Watts products (“Resellers”) provide the advice, service, education, and support necessary to maintain the high level of satisfaction we have developed with our customers. Watts has also concluded that certain online advertising practices can affect our goodwill and are damaging to the high quality standards and reputation that Watts products have achieved. In order to ensure that all Resellers continue to provide high levels of advice, service, education and support for Watts products, and to avoid damage to Watts’ goodwill and our products’ high quality standards and reputation, Watts is establishing this Unilateral Internet Minimum Advertised Pricing policy v. 1.3 (“iMAP Policy”) **effective as of April 6, 2023.**

Unilateral iMAP Policy

Although Resellers remain free to advertise and sell Watts products online at the price of their choosing, it is Watts’ unilateral policy to stop supplying Watts products to any Reseller that advertises Watts products below internet minimum advertised prices (“iMAP”) as provided by Watts in the iMAP List available at <https://www.watts.com/online-sales> (as such list may be updated by Watts from time to time); that engages in any prohibited advertising practices as provided in this iMAP Policy; or that supplies products to third parties who engage in any of the foregoing practices.

As used herein, “advertising” means any advertising through the Internet, including Internet sites, pages, and links, any other method that uses the hypertext transfer protocol (“http”), and any internal link to a web based shopping cart. Resellers’ own websites and Resellers’ postings on third party websites, such as Amazon, Facebook, eBay and Google, are covered by this Policy.

This iMAP Policy applies only to a Reseller’s online advertised prices, not selling prices. Resellers are free to advertise and sell Watts products at whatever price they choose. This iMAP Policy is not negotiable and is not an agreement between Watts and any Reseller, nor is it an offer to be accepted or negotiated.

Prohibited Online Advertising Practices

This iMAP Policy prohibits the following practices for products covered by the Policy:

- Online advertised prices below the iMAP;
- Any language that states or suggests that the online advertised offer or advertised price is less than the iMAP, such as: “Price too low to advertise,” “Call for a lower price,” “Call for our lower price,” “Lower prices are available,” “Sale Price,” “Cheaper prices available,” “New low price,” or use of words such as “subtract,” “less,” or “take away”;

- References to discounts, including promotional discounts, or coupons;
- Statements suggesting that there will be a recalculation or adjustment of the advertised price before a sale occurs, such as “20% off prices shown everyday”, “store-wide 10% off advertised prices,” “\$50 rebate available with the purchase of this product,” or “Call for \$100 off this price,” if such recalculated advertised price is below the iMAP;
- Automated “bounce-back” pricing emails, pre-formatted e-mail responses, forms, or automatic price displays for products prior to being placed in the customer’s online shopping cart, and other similar features, if such features have the effect of advertised prices below the iMAP;
- Split-screen or side-by-side advertising, or pop-ups, involving comparisons of products from suppliers or brands other than Watts;
- Automatic redirects to other suppliers or brands when customers search for a Watts product or Watts item number;
- Products provided as gifts;
- Offers of free, gifted or discounted products with the purchase of iMAP products if such offers result in advertised prices below the iMAP; or
- Combinations or bundles of Watts products if such combinations result in advertised prices below the iMAP.

Unilateral Enforcement of iMAP Policy

Watts will unilaterally monitor Reseller advertising to ensure compliance with this iMAP Policy. Watts has not sought and will not seek any written or oral assurance of compliance from any Reseller, whether in advance of adoption of this iMAP Policy or in connection with any suspected, observed or confirmed violation. As such, this iMAP Policy in no way constitutes an agreement between Watts and any Reseller.

Watts will not invite, accept, or respond to any complaint or report from, act at the behest of, nor negotiate with any Reseller, in connection with a claim of an alleged violation of this iMAP Policy by another Reseller.

In the event of a violation, which will be identified and finally determined unilaterally by Watts, at its sole discretion, after investigation, the Reseller will be notified in writing (including via e-mail), stating the facts regarding the violation. At its sole discretion, Watts may take the following actions:

1. **First violation:** If Watts determines that a Reseller is not in compliance with this Policy, Watts will issue a written warning to such Reseller and Watts will cease providing support and marketing materials to such Reseller for the products advertised by the

Reseller in violation of this Policy (including, without limitation, product photography, product data sheets and other documentation).

2. Second violation: If Watts determines that a Reseller is not in compliance with this Policy within two (2) weeks of a first warning then, in addition to the restrictions imposed under the first warning, Watts will hold all shipments to such Reseller for a period of one week.
3. Third violation: If Watts determines that a Reseller is not in compliance with this Policy within two (2) weeks of a second warning then, in addition to the restrictions imposed under the second warning, Watts will indefinitely suspend shipments to such Reseller of the products advertised by the Reseller in violation of this Policy. Watts will consider at its sole discretion whether to resume shipments of such products to the Reseller at a later date.

Watts will require each Reseller to provide reasonable cooperation in any Watts investigations regarding that Reseller's possible iMAP Policy violations. Hindering, obstructing, delaying, or otherwise failing to cooperate with a Watts iMAP Policy investigation is a violation of this iMAP Policy.

Watts reserves the right at any time to modify or discontinue this iMAP Policy, in whole or in part, or to institute and designate special promotional periods during which specific provisions of this Policy, or the Policy itself, may be changed or its enforcement temporarily suspended. Notice of updates to the iMAP List will be provided when updates are made. This iMAP Policy does not grant rights to any Reseller, and it does not amount to a representation by Watts that it will do business in any specific way, including for the benefit of any Reseller. No Reseller may rely on the enforcement or continuation of this iMAP Policy.

Updates to Watts Pricing and iMAP Impact

It is Watts' policy to announce general price adjustments for our products at least thirty (30) days in advance. In the event that we implement such an adjustment that affects products that are subject to this iMAP Policy, corresponding adjustments to iMAP pricing for such products will also be announced at the time of the general price adjustment. The revised iMAP pricing will take effect at least thirty (30) days after the effective date of the general price adjustment. As a result, Resellers will have at least sixty (60) days' notice of adjustments to iMAP pricing that result from general price adjustments.

Any inquiries regarding this iMAP Policy should be directed to:
mappricing@wattswater.com