

## Zurn Elkay Water Solutions Minimum Advertised Price Policy (MAPP)

September 1, 2022

For over a century, customers have come to trust the Zurn Elkay Water Solutions (ZEWS) variety of brands and product. We choose to lead through a firm belief in exceeding expectations and keeping high quality intact. That means a lot of groundwork – research, development, surveying, and testing, intimately following our quality assurance process, and using registered manufacturing facilities. All of these steps and more, add up to our history of success in delivering the best products to our customers, in a competitive market.

In line with this commitment, ZEWS implements a Minimum Advertised Price Policy (MAPP). MAPP protects the reputation of the ZEWS name and Products, ensures that Resellers have incentives to invest the resources required to introduce consumers to ZEWS Products, and guides consumers to select and specify the Products that are most appropriate for those customers. MAPP ensures our brand will continue down our path to deliver high-quality advanced water solutions our customers expect and depend upon.

This policy applies to all companies and brands which are part of the Zurn Elkay Water Solutions portfolio. As of this Policy's Effective Date, this Policy supersedes any MAP Policies previously released and operated by ZEWS individual brands.

### Unilateral MAPP Guidelines

#### Application:

While a seller remains free to advertise and sell ZEWS Products at the price of their choosing, this unilateral MAPP applies to all advertised prices of ZEWS Products in the United States, for which a minimum advertised price has been established through a MAPP Product List.

#### Definitions (as used herein):

1. **"Distributor"** means any individual or entity that directly or indirectly promotes ZEWS product(s) to either or both resellers and end users. **This includes traditional distributors, wholesalers, retailers, and resellers.**
  - a) Each reseller (regardless of name and location) directly or indirectly owned, operated, or associated with a Distributor (as determined by ZEWS) will be considered to be a part of such Distributor, so that each violation by any such business attributed to such Distributor.

2. "Advertised" means:
  - a) Advertised price(s) at which any MAPP Product are offered for sale in any way. Whether through conventional and electronic advertising, promotion, proposal, quotation or otherwise and regardless of place or medium used.
  - b) All offers made by or on behalf of a Distributor containing Price Information, including, but not limited to, Conventional Advertising and Electronic Content.
  - c) When applied to websites, this Policy applies to price Information appearing or otherwise conveyed both outside and inside the shopping cart (or another container)
    - i) This MAP policy does not regulate the price of ZEWS Products behind a customer's login portal, or the "final online checkout stage". The "final online checkout stage" is the stage when the customer's personal information is added in intent for checkout. This information is not public and is not retrievable by shopping or price engines.
3. "Conventional Advertising" means, but is not limited to, newspapers, magazines, direct mail, catalogs, flyers, radio, television, and signs.
4. "Electronic Advertising/Content" means information that (A) can be accessed by an internet browser or equivalent, including, but not limited to, (1) internet shopping sites, (2) marketplaces and (3) comparison search engines (CSEs) to which a Distributor supplies pricing information (e.g., Google Shopping, Buy.com, eBay, Amazon and PriceGrabber); (B) is provided by or through one or more applications (apps) for mobile devices , including, but not limited to, social media apps and mobile gaming platforms; or (C) is furnished by or through (1) electronic solicitations or other electronic communications (e.g., robocalls, caller-on-hold and other audio recordings, messaging, webcasts, email and online or other electronic chats), (2) electronic advertisements (such as email newsletters, pop-ups and banners) or (3) anything which ZEWS considers to be the substantive equivalent.
5. "MAPP Product List" means then-current version of each list made available or communicated to Distributor by ZEWS describing the then-current MAPP for one or more of the MAPP Products.
6. "Price Information" means information regarding price, including but not limited to, a discrete price, price formula, reference to price or anything related to price (e.g., representations or inferences regarding savings, discount(s) or value).
7. "Net Adjusted Price" means the price at which a MAPP Product is directly or indirectly offered by a Distributor to a potential or actual customer after (i) applying all discounts, deductions, rebates, and comparable price reductions, (ii) excluding certain taxes and shipment charges and (iii) giving effect to the value of each Bundle involving one or more free or reduced-price goods or services.

## Violations

### ***A distributor may violate this Policy in the following ways:***

1. Directly or indirectly advertise (regardless of medium), one or more of the ZEWS MAPP Products in the United States, at a Net Adjusted Price less than the corresponding USA MAPP Price established by ZEWS.
2. By attempting to reduce the enforced USA MAPP Price of any ZEWS Products directly or indirectly, through any means. For example, if Reseller employs any technique in a manner that communicates on the face of or in association with the advertisement that the effective price falls below the USA MAPP Price. Such methods include but are not limited to:
  - a) Redirected product page price to “in-cart” or other statements that suggest a lower price may be found at the final online checkout stage.
  - b) Offer of gifts, premiums, or services associated with purchase of any ZEWS Products
  - c) Offer of rebates, credits, incentives, or any other discounts
  - d) Offer to pay tax or otherwise reduce expenses of the purchaser
  - e) Offer points, frequent flyer miles, or other similar considerations
  - f) Offer discount on other ZEWS models that are bundled or packaged
  - g) Others means ZEWS deems as violation
3. By advertising one or more of the Products on any Internet auction site by offering the product without a reserve or with a reserve below MAPP, including but not limited to ebay.com, ubid.com, bidz.com, Auctionweiser.com, AuctionAddict.com, Auction-Warehouse.com, Auctionet.com, Auctions.com, Dealspin.com, FairAuction.com, Auctionscape.com, InternetAuctionList.com, ItsGottaGo.com, BuyItSellIt.com, Auctionguide.com, and epier.com, or by selling one or more of the Products to any person or entity, which Reseller knows or should reasonably know might advertise the Products on an Internet auction site or otherwise advertise ZEWS Products below USA MAPP Price.
4. By failing to effectively respond to questions and requests regarding any ZEWS Products, including but without limitation, requests regarding resellers product source(s).
5. Do-Not-Sell List
  - a) A Distributor violates this Policy if it sells any ZEWS Products to any individual or entity appearing on the then-current Do-Not-Sell List (including without limitation drop shipping on behalf thereof), except to the extent as may be permitted by such list. For purposes of this Policy, “Do-Not-Sell List” means notice from ZEWS which indicates that each individual or entity shown is not authorized by ZEWS to promote or resell any ZEWS Products or the authority granted by ZEWS to a

Distributor to sell or supply to or drop ship on behalf of another individual or entity has been revoked with respect to specified products.

**Enforcement:**

It is the responsibility of all distributors to self-monitor, maintain policy compliance and engage with ZEWS Policy notices.

ZEWS will determine in its sole discretion whether a ZEWS Distribution Partner is in violation of this Policy. A violation notification(s) will be communicated electronically or otherwise directly to the distributor. While ZEWS reserves the right to change violation enforcement actions and resolutions, violations may result in:

<b>First Violation</b>	If ZEWS determines that a reseller is not in compliance with this Policy, a first violation warning will be issued.
<b>Second Violation</b>	If ZEWS determines that a reseller is not in compliance with this Policy within one (1) week of a first warning, a second violation warning will be issued to reseller.
<b>Third Violation</b>	If ZEWS determines that a reseller is not in compliance with this Policy within four (4) weeks of the second violation warning, then ZEWS will suspend shipment of violating SKU(s) to Reseller until the violation(s) is/are resolved. ZEWS will determine in its sole discretion which SKUs are subject to suspension and when the violations have been resolved to its satisfaction.
<b>Fourth Violation</b>	If ZEWS determines that a Reseller is not in compliance with this Policy within four (4) weeks of the third warning, then a chronic violation status will be issued. ZEWS will suspend ALL shipments to Reseller until the violation(s) is/are resolved. ZEWS will determine in its sole discretion when the violations have been resolved to its satisfaction.
<b>Chronic Violators</b>	For chronic MAPP violators, as determined by ZEWS in its sole discretion, ZEWS may indefinitely suspend all shipments to the non-complaint ZEWS distributor or Reseller.

**Exemptions:**

As long as a Distributor does not otherwise violate this Policy, an offering of a MAPP Product to a potential or actual customer below its MAPP(s) will not violate this Policy if such offering is consistent with one or more of the following exemptions:

1. In-store materials at a brick-and-mortar location that simply state the price(s) at which one or more of the MAPP Products may be purchased, including, without limitation, point-of-sale signs, price stickers and hangtags (*signage visible outside a brick-and-mortar location, such as an outward-facing window sign, is subject to this Policy*).

2. Individualized live telephone communication or individualized e-mail (but not automated bounce-back e-mail or the substantive equivalent) in direct response to a specific customer inquiry.
3. Bona fide advertising and promotional materials (including without limitation printed catalogs) that cannot reasonably be modified prior to the Policy Effective Date or the effective date of a change in the MAPP(s), the MAPP Products, or this Policy until such time that it is reasonable to revise such materials (as determined by ZEWS) to be consistent with this Policy.
4. The offer of one or more items of any or all of the MAPP Products that is or are: (i) used, rather than new, as long as such offer clearly, prominently and accurately describes each such unit as "used," "demonstration," "display" or "refurbished" or with similarly appropriate language or (ii) discontinued by ZEWS effective (A) when such item(s) does or do not appear on the then-current price list(s) or product list(s) issued by ZEWS or (B) on the date(s) referred to in the notice of discontinuance provided by ZEWS to Distributors.
5. If ZEWS determines that such Distributor does not qualify for or abused any or all of the Exemptions, such exemption(s) will be withdrawn by ZEWS retroactive to the Policy Effective Date, or such other date specified by ZEWS.
6. Except in extraordinary circumstances, ZEWS will not consider any requests for other exemptions.

#### Additional Terms and Conditions:

1. The terms of this policy are confidential and should not be disclosed to other parties.
2. No ZEWS employee, vendor, supplier, or sales representative is authorized to, nor shall they, modify, interpret, or grant exceptions to this MAPP, or solicit or obtain the agreement of any person to this MAPP.
3. This policy may be modified, extended, suspended, discontinued, or rescinded in whole or in part by notice from ZEWS at any time.
4. ZEWS will unilaterally determine whether Products are being advertised in violation of this policy and will implement this policy uniformly and consistently with applicable laws. All decisions by ZEWS to act on a violation of this policy are final. There will be no negotiation.

5. ZEWS has adopted the MAPP unilaterally in furtherance of its independent business strategy and reserves, at its sole discretion, the right to change the policy and to interpret, enforce and otherwise handle all questions and issues related to the Policy.
6. For questions concerning this policy, please contact [ecommerce@zurn.com](mailto:ecommerce@zurn.com).