



MOEN SALES & ADVERTISING POLICY

--USA--

To: All MOEN® Brand Retailers, Showrooms, Wholesalers, Distributors, Kitchen and Bath Dealers, Authorized E-Tailers, and Preferred E-Tailers in the USA

Re: New Policy for the Sale and Advertising of MOEN Brand Products

Effective Date: July 20, 2020

Moen Incorporated (“**Moen**”) has adopted the following Sales & Advertising Policy for its MOEN product offerings in the US. This Policy applies to all resellers enjoying Moen benefits (as detailed below) including Moen Brand Retailers, Showrooms, Wholesalers, Distributors, Kitchen and Bath Dealers, Authorized E-tailers and Preferred E-tailers (each, a **Moen Reseller**), is effective July 20, 2020, and replaces and supersedes the prior Moen Internet Minimum Advertised Policy and prior Moen Distribution Policy.

At Moen, we put the customer at the center of our brand. The customer’s insights and current and future needs drive not only our product development but our entire strategy for how potential customers experience our brand at every point of interaction. This commitment to quality innovation, design and customer service with a focus on the water needs of tomorrow drives everything we do and embodies our brand. It follows then that every customer experience with the MOEN brand should reflect this same commitment.

With this in mind, Moen has updated our minimum criteria for sales, advertising and customer service practices for all active MOEN products including Moen IMAP products (as designated by Moen from time to time) to best reflect the high standards and quality associated with the MOEN brand. We expect all Moen Resellers, as our partners, will share in this commitment and seek to meet or exceed our minimum criteria.

Note, this Policy relates to “active” products (i.e., products which are currently being sold by Moen and not designated by Moen in writing as a discontinued or to-be discontinued). This Policy does not apply to discontinued merchandise or closeouts as clearly identified by Moen.

In keeping with the strategy outlined above, Moen has adopted the following Policy:

1. Categories of “Moen Resellers” Online.

There are two categories of Moen Resellers in the e-Commerce channel:

- a. ***Authorized E-Tailers.*** Moen Resellers that wish to sell Moen Products online and receive certain benefits to assist in selling such products may apply to become a Moen Authorized E-Tailer. Moen will assess whether a candidate qualifies to become either a Level I or Level II Moen Authorized E-Tailer. Qualifying resellers then enter the appropriate Authorized E-Tailer Agreement (as revised from time to time).

- b. Preferred E-Tailers. Moen Resellers that meet additional criteria may be selected to become a Moen Preferred E-Tailer. In such case, they will enter into a Moen Preferred E-Tailer Agreement (as revised from time to time).

Participation as Moen Authorized E-Tailers and Moen Preferred E-Tailers will be subject to approval by Moen in its sole discretion according to its assessment of business competencies and fit with the MOEN brand. Further, Moen reserves the right to limit the number of active Authorized E-Tailers and Preferred E-Tailers for a relevant market. A current list of the Authorized and Preferred E-Tailers is posted at <http://pro.moen.com/ecommerce>. Inquiries can be directed to PolicyAdmin@moen.com.

2. *Benefits for Moen Resellers Online.*

- a. Moen Authorized E-Tailers – Companies that are approved by Moen as Authorized E-Tailers will receive the following benefits:
- i. Authorization to sell Moen IMAP Products online through their own websites. Additionally, for Level I Authorized E-Tailers, authorization to sell Moen IMAP products through third-party websites which are approved by Moen.
 - ii. Permission to use Moen logos, product data and digital product photos. Additionally, for Level I Authorized E-Tailers, various additional premium digital assets (including enhanced images and marketing materials)
 - iii. Permission to advertise itself as a Moen Authorized E-Tailer and use any special Authorized E-Tailer logo(s) furnished by Moen (for Level I Authorized E-Tailers only)
 - iv. Listing on moen.com as an Authorized E-Tailer (for Level I Authorized E-Tailers only)
- b. Moen Preferred E-Tailers - Companies that are approved by Moen as Preferred E-Tailers will receive the above-described benefits enjoyed by Authorized E-Tailers as well as the following additional benefits:
- i. Direct sharing (from Moen or its advertising representative) of digital assets and access to certain Moen data analytics.
 - ii. Permission to advertise itself as a Moen Preferred E-Tailer and use any special Preferred E-Tailer logo(s) furnished by Moen.
 - iii. Listing on moen.com as a Preferred E-Tailer.
 - iv. Direct link on the "Where to Buy" section of moen.com.

3. *Sales Practices - General.*

- a. Each Moen Reseller is expected to conduct its business in a reasonable, responsible and ethical manner at all times and not engage in any deceptive, misleading, irresponsible or unethical practices or advertising at any time. This applies, in particular, to Moen IMAP Products which must be marketed and sold in a professional manner refraining from any marketing or other conduct that Moen considers is or could be detrimental to the reputation of the MOEN brand.
- b. If a Moen Reseller wishes to sell active Moen products on a third-party website (i.e., a website other than the Reseller's own website), each website must be expressly approved in advance by Moen in writing.
- c. If a Moen Reseller knows or reasonably should know that its customer is reselling Moen products on the Internet, it will not sell Moen products to that customer unless the customer is a Moen

Authorized E-Tailer or Moen Preferred E-Tailer. Moen Resellers are responsible for confirming whether an entity is an Authorized E-Tailer or Preferred E-Tailer for the United States by consulting the list available at <http://pro.moen.com/ecommerce>.

4. Sales Practices - Online

- a. No Moen Reseller shall advertise or otherwise promote any Moen IMAP Products on the internet (whether on their own website or on third party websites, auction sites, shopping engines, online marketplaces and/or internet resale sites) without being a Moen Authorized E-Tailer or Moen Preferred E-Tailer.
- b. No Moen Reseller shall advertise or otherwise promote any Moen IMAP Product on the internet whether on its own websites or any other approved sites (including but not limited to shopping engines, online marketplaces, internet resale sites, etc) at a price lower than the Internet Minimum Advertised Price established for that product by Moen from time to time. This includes avoiding use of strike-through advertised pricing or similar advertised pricing mechanisms where the advertising would lead the consumer to reasonably believe the advertised product price is less than the IMAP price. For a list of Moen IMAP products by SKU and the corresponding Internet Minimum Advertised Price for each see <http://pro.moen.com/ecommerce>.
- c. No Moen Reseller shall sell any Moen IMAP Product to any third party (regardless of whether the party is an Authorized Moen E-Tailer or Preferred E-Tailer) if it knows or reasonably should know that the third party will likely advertise the product on any website at a price lower than the Internet Minimum Advertised Price established for that product by Moen from time to time. This includes third party purchasers who use strike-through advertised pricing or similar advertised pricing mechanisms as described above.
- d. Upon request by Moen, Authorized and Preferred Online Retailers must provide fully accurate information to Moen regarding any online purchaser who Moen believes may be promoting product in violation of this Moen Sales & Advertising Policy.
- e. Within 30 days of adding a new supplier, Authorized and Preferred E-Tailers must provide information to Moen regarding the person(s) or entity(ies) from which such company purchases Moen IMAP Products. In the event of a violation of this Moen Sales & Advertising Policy, Moen may request information about the company's current supplier(s) and the company must provide this information within 30 days or will face removal of its authorization.

5. Consequences of Non-Compliance

Moen recognizes that the marketing and sales of Moen products has become more complex given the ever-expanding use and nature of e-commerce platforms. Nevertheless, protecting the MOEN brand and our customers' experience with our Moen products is of critical importance and we expect Moen Resellers to partner with us in compliance with this Policy.

- a. Failure to comply will typically be addressed on an escalating basis but Moen reserve the right to revoke all benefits and stop supply to any Moen Reseller it believes, in its sole judgment, is a chronic offender or otherwise seems likely to be unable or unwilling to comply with this Policy.

- b. For details of typical consequences, see Appendix A as follows:
 - For Moen Authorized E-Tailers, see Appendix A-1 (Level I E-Tailers) and A-2 (Level II E-Tailers).
 - For Moen Preferred E-Tailers, see Appendix A-3.
- c. Violations will be assessed on a 6-month basis (Jan 1 – Jun 30 and Jul 1 – Dec 31).
- d. If a Moen Reseller believes a violation letter was sent in error, then within five (5) business days from receiving such notice, it may submit evidence to Moen for consideration. If Moen, in its sole judgment, finds such evidence to be persuasive, it may rescind the finding of a violation.

6. *Policy Adoption and Scope*

- a. Moen has adopted this Policy unilaterally in furtherance of its independent business strategy for its Moen brand. Each Moen Reseller is free to decide independently whether to follow this Policy. Moen will implement, interpret and enforce this Policy in its sole discretion and independent judgment. Moen does not expect, and will not accept, any assistance from or agreement with you about this Policy or its implementation, interpretation or enforcement.
- b. No Moen employee or representative is authorized to modify or change this Policy for any particular Moen Reseller.
- c. Moen is implementing this policy for the United States only. Moen's Policy and its Authorized E-Tailers and Preferred E-Tailers may differ for other jurisdictions.
- d. This Policy may be amended or rescinded at any time and Moen Resellers will be promptly notified in such case.

Please make sure that all appropriate people in your organization receive a copy of this Policy. Moen reserves the right to amend or discontinue this Policy at any time, and we will notify you of any such amendment or discontinuation. This Policy is in addition to and separate from all other Moen policies.

We appreciate your full support of this Policy.

APPENDIX A

TYPICAL CONSEQUENCES FOR FAILURE TO COMPLY

Moen will monitor the Internet regularly (at least weekly) for compliance with this Policy. Any time one or more non-compliant postings or other behaviors are identified during a monitoring session, this will be considered, in the aggregate, to be a “violation”. Violations will be assessed on a 6-month basis (Jan 1 – Jun 30 and Jul 1 – Dec 31). Typically, a first violation (if not fully corrected within 48 hours) will escalate with increasingly severe consequences. However, Moen reserves the right to terminate authorization, revoke all benefits and stop supply of all Moen products immediately to any Moen Reseller it believes, in its sole judgment, is a chronic offender or otherwise seems likely to be unable or unwilling to comply with this Policy.

A1 – Consequences for Level I Moen Authorized E-Tailers:

1st Violation: 1st Warning E-Mail sent (48 hour grace period to correct)

2nd Violation: 2nd Warning E-Mail sent

3rd Violation: 30 day penalty:

- Loss of select Authorized E-Tailer Benefits
 - Temporary loss of Moen Digital access
 - Temporary de-listing as an Authorized E-Tailer on moen.com

Possible temporary loss of applicable Moen marketing support (depending on number of infracting ads and extent of deviations from IMAP) 4th Violation: 30 day penalty:

- Loss of select Authorized E-Tailer Benefits
 - Temporary loss of Moen Digital access
 - Temporary de-listing as an Authorized E-Tailer on moen.com
 - Possible temporary loss of applicable Moen marketing support (depending on number of infracting ads and extent of deviations from IMAP)
- Moen stops shipment of all IMAP SKU shipments

5th Violation: 90 day penalty:

- Loss of select Authorized E-Tailer Benefits
 - Temporary loss of Moen Digital access
 - Temporary de-listing as an Authorized E-Tailer on moen.com
 - Temporary loss of Moen marketing support (depending on number of infracting ads and extent of deviations from IMAP) as applicable
- Moen stops shipment of all IMAP SKU shipments

A2 – Consequences for Level II Authorized E-Tailers:

1st Violation: Warning E-Mail sent (48 hour grace period to correct)

2nd Violation: Warning E-Mail sent

3rd Violation: 30 days all IMAP SKUs shipments stop

4th Violation: 90 days all IMAP SKUs shipments stop

A3 – Consequences for Preferred E-Tailers:

1st Violation: 1st Warning E-Mail sent (48 hour grace period to correct)

2nd Violation: 2nd Warning E-Mail sent

3rd Violation: 30 day penalty:

- Loss of select Preferred E-Tailer Benefits
 - Temporary loss of Moen Digital access
 - Temporary de-listing as a Preferred E-Tailer on moen.com
 - Possible temporary loss of applicable Moen marketing support (depending on number of infracting ads and extent of deviations from IMAP)
- Temporary removal of direct link on "Where to Buy" on moen.com

4th Violation: 30 day penalty:

- Loss of select Preferred E-Tailer Benefits
 - Temporary loss of Moen Digital access
 - Temporary de-listing as a Preferred E-Tailer on moen.com

- Possible temporary loss of applicable Moen marketing support (depending on number of infracting ads and extent of deviations from IMAP)
 - Temporary removal of direct link on "Where to Buy" on moen.com
 - Moen stops shipment of all IMAP SKU shipments
- 5th Violation: 90 day penalty:
- Loss of select Preferred E-Tailer Benefits
 - Temporary loss of Moen Digital access
 - Temporary de-listing as a Preferred E-Tailer on moen.com
 - Temporary loss of applicable Moen marketing support (depending on number of infracting ads and extent of deviations from IMAP)
 - Temporary removal of direct link on "Where to Buy" on moen.com
 - Moen stops shipment of all IMAP SKU shipments