



TO: All Zurn Distributors and Resellers

FROM: Zurn MAP Team

RE: Minimum Advertised Price (MAP) Policy

DATE: January 7, 2019

**Statement of Policy:**

For over a century, customers have come to trust our products, and ultimately the name, Zurn. We can only lead by exceeding expectations and keeping quality intact. That means a lot of groundwork – research and development, surveying and testing, intimately following our quality assurance process, and using registered manufacturing facilities. All of that adds up to our success in a competitive market.

In line with this commitment to our customers, Zurn will implement a Minimum Advertised Price (MAP) policy. MAP protects the reputation of Zurn's name and products, ensures that resellers have incentives to invest the resources required to introduce consumers to Zurn's products, and guides consumers to select and specify the products that are most appropriate for those customers. MAP ensures our brand will continue down our path to deliver high-quality advanced water solutions, from safety to finish plumbing. The policy comes into effect January 7, 2019.

MAP Policy General Guidelines:

1. The MAP policy applies to all advertisements of Zurn Products in the United States for which Zurn has established a minimum advertised price. This policy applies to advertisements in any and all media, including, without limitation, flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, mail order catalogs, radio, television, Twitter, Facebook, Internet or similar electronic media, Internet banner ads, broadcast email, and public signage. This includes any price published publicly on the Internet, including but not limited to, prices displayed through links, pop-ups, and other methods of publication on the Internet, even via other websites. The MAP policy does not regulate the price of Zurn product inside a website's virtual "shopping cart" or behind a customer's login credentials portal. The MAP policy is not applicable to any in-store shelf pricing or oral discussions or sales negotiations with a specific customer.
2. A reseller or distributor may violate this Policy in any or all of three ways:
  - a. By advertising (regardless of place or medium used) one or more Zurn products in the United States at a price less than the current USA MAP Price (as defined herein) established by Zurn.
  - b. By attempting to reduce the enforced USA MAP Price of any Zurn 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 MAP Price. Such methods include but are not limited to:
    - Offer of gifts, premiums, or services associated with purchase of any Zurn products
    - Offer of rebates, credits, incentives, or any other discounts
    - Offer to pay tax or otherwise reduce expenses of the purchaser



- Offer points, frequent flyer miles, or other similar considerations
- Offer discount on other Zurn models that are bundled or packaged

c. 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 MAP, 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 Zurn products below USA MAP Price

3. Zurn distributor or Zurn reseller means any entity that offers to sell Zurn products to the open market or select customers which includes direct customers of Zurn or secondary customers that procure Zurn products from a direct customer. This definition excludes Zurn and its contracted sales rep agencies when they are acting as an agent of Zurn on a sales commission basis.

4. MAP Price or USA MAP Price means the minimum stated advertised price established by Zurn from time to time, for sales within the United States, less all discounts, deductions, premiums, coupons, allowances, rebates, and the value of free goods or services offered with the Zurn product advertisement. To the extent a reseller offers a customer free shipping, the cost of the shipping service offered will not be deducted from the advertised price for the purpose of calculating a reseller's USA MAP Price.

5. Violations of the Zurn MAP policy will be communicated by email or in writing. Violations may result in:

- a. Suspension of shipments of the applicable SKUs with price violations to the [distributor or reseller] for 30 days.
- b. For chronic violators of this MAP Policy, as determined by Zurn in its sole discretion, Zurn may indefinitely suspend all shipments to the non-compliant [distributor or reseller].

\*\*A distributor's or reseller's compliance with this MAP Policy shall be managed on a twelve (12) month period from the date of the last violation on a per SKU basis.

6. This MAP policy applies only to advertised prices and does not apply to the prices at which the product is actually sold, or offered for sale to an individual consumer within the distributor's or reseller's retail location or over the telephone. Zurn resellers and distributors remain free to sell the products at any price they elect.

7. From time to time, Zurn may add or discontinue certain products or engage in promotions with respect to certain products. In such events, Zurn reserves the right to modify or suspend the MAP with respect to the affected products at its sole discretion. Such changes shall apply equally to all Zurn resellers and distributors.

8. A [distributor or reseller] remains free to state in any medium (e.g., TV, paper, Internet) that the customers may "call directly for pricing" or "contact directly for quote" and include a telephone number or email address for use by the potential customer.

The terms of this policy are confidential and should not be disclosed to other parties.



This policy may be modified, extended, suspended, discontinued or rescinded in whole or in part by notice from Zurn at any time.

Zurn 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 Zurn to take action for a violation of this policy are final. There will be no negotiation.

Zurn has adopted the MAP policy 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.

For questions concerning this policy, please contact [mapenforcement@zurn.com](mailto:mapenforcement@zurn.com).