

WATTS AUTHORIZED E-SELLER POLICY

At Watts, we are determined that online sales of Watts plumbing & heating and water quality (including tekmar®) products (collectively, “Watts Products”) will provide our end customers with the quality and reliability that they expect from the Watts brand. We want to ensure that online dealers, distributors, and other online resellers (“E-Sellers”) of Watts Products provide the advice, service, education, and support necessary to maintain the high level of satisfaction we have developed with our customers.

For these reasons, Watts is establishing the following Authorized E-Seller Policy v. 1.01 (this “Policy”) for all E-Sellers in the United States **effective as of June 5, 2024**. This Policy will maintain the strong goodwill, reputation and integrity of the Watts brand that we have worked so hard to build. It will also ensure that our customers are getting authentic, high-quality Watts Products that are covered by Watts warranties, as well as accurate product information and product support from qualified sales channel partners. This Policy will also allow us to better manage our sales channels, meet customer expectations, and encourage our E-Sellers to invest in the promotion of Watts Products. Finally, by holding all of our E-Sellers to the same high standards, this Policy also promotes fair competition among our online sales channel partners.

I. Online Sales by Authorized E-Sellers Only

Except as otherwise expressly authorized in writing by the SVP of Sales, only Authorized E-Sellers who meet the requirements outlined in this Policy are authorized to resell Watts Products through e-commerce. For the avoidance of doubt any online seller of Watts products that is not an Authorized E-Seller is not authorized to sell Watts Products online or use Watts trademarks, copyrights, images or product information for Watts Products online. We reserve all rights with respect to such unauthorized sales, including without limitation our rights to enforce and protect our intellectual property rights against the unauthorized use thereof.

II. Authorized E-Seller Eligibility

Only E-Sellers who (A) purchase Watts Products for resale directly from Watts; and (B) maintain an open and current trade account in good standing with Watts for the purchase and resale of Watts Products through one of our primary distribution channels (wholesale, retail and specialty) are eligible to become Authorized E-Sellers under this Policy.

Original equipment manufacturer (OEM) customers are only eligible to become Authorized E-Sellers under this Policy with respect to Watts Products that are either installed on OEM finished products or sold as replacement parts for such products.

III. Authorized E-Seller Requirements

In order to be considered an Authorized E-Seller, you must meet the following requirements:

- A. Market and sell Watts Products only through websites owned and operated by you. Selling through any third-party websites, including without limitation marketplaces such as Amazon or eBay, dropship accounts (e.g., Buy.com, Jet.com, Newegg, etc.) or classified sites (e.g., Craigslist, Facebook Marketplace, etc.) is strictly prohibited.
- B. Sell Watts Products only in original packaging and comply at all times with Watts' logo and trademark usage guidelines available at: <https://www.watts.com/ourstory/news-and-events/company-logos>, as updated from time to time, in any online content and marketing materials used to promote Watts Products.
- C. Provide the following to Watts:
 - 1. A complete list of all websites through which you sell Watts Products, including without limitation all temporary storefronts and seller names across all e-commerce channels. You are responsible for providing Watts with an updated list within ten (10) business days of any changes to any of the listed websites or the sale of Watts Products through additional websites.
 - 2. Upon request, e-commerce sales traceability data (excluding pricing detail) for Watts Products by website and SKU.
 - 3. Upon request, an online account for Watts to your branded store.
- D. Provide reasonable detail on your e-commerce websites regarding the availability of in-stock Watts Products.
- E. Not modify any Watts Product descriptions, part numbers or UPCs, or develop new product descriptions, part numbers or UPCs for any Watts Product.
- F. Comply with applicable laws in connection with the sale and marketing of Watts Products, including without limitation advertising, antitrust, export and trade compliance laws.

IV. Authorized E-Seller Benefits All Authorized E-Sellers will enjoy the following benefits:

- A. Product data, images, specifications, installation sheets and videos to promote Watts Products on the Authorized E-Seller's websites.
- B. Promotional tools for Watts Products, including graphics for banners, social media postings and other materials, to promote the sale of Watts Products on the Authorized E-Seller's websites.
- C. "Watts Authorized E-Seller" seal for use with the Authorized E-Seller's websites and marketing materials for Watts Products.
- D. Listing as a Watts Authorized E-Seller on www.watts.com

V. Unilateral Enforcement of Authorized E-Seller Policy

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

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

In the event of a violation, which will be identified and finally determined unilaterally by Watts, at its sole discretion, after investigation, the violating Authorized E-Seller 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 an Authorized E-Seller is not in compliance with this Policy, Watts will issue a written warning to such Authorized E-Seller and Watts will cease providing support and marketing materials (including, without limitation, product photography, product data sheets and other documentation) to such Authorized E-Seller.
2. Second violation: If Watts determines that an Authorized E-Seller 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 Authorized E-Seller for a period of one week.
3. Third violation: If Watts determines that an Authorized E-Seller 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 suspend such Authorized E-Seller's account indefinitely and remove all Authorized E-Seller benefits indefinitely. Watts will consider at its sole discretion whether to restore the E-Seller's account and restore the E-Seller's Authorized E-Seller status at a later date.

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

Watts reserves the right at any time to modify or discontinue this Policy, in whole or in part, This Policy does not grant rights to any E-Seller, 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 E-Seller. No E-Seller may rely on the enforcement or continuation of this Policy.

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