

A/C Online Sales Policy

(United States of America)

Effective July 13, 2020

Rheem Sales Company, Inc. ("Rheem") is a leading HVAC company in the United States. We take pride in our products' reputation for quality and performance, and we believe it is important that any entity that resells the products (the "Resellers") commit a substantial amount of time and other resources to learn, understand, support, and promote our products. Resellers need to have a solid knowledge of Rheem and its products in order to explain and communicate product features, understand the importance of professional installation by a qualified and trained air conditioning contractor, and be able to provide effective post-sales support. Since these products are part of an applied system, we continue to believe that in-person sales of Rheem products by contractors who are knowledgeable about Rheem products and their application is the preferred way to provide an excellent and satisfactory sales experience to the homeowner. That said, we recognize that e-commerce continues to grow in all sectors and that our customers expect Rheem to participate in the online sales channel.

Accordingly, Rheem has unilaterally implemented this Air Conditioning Division Online Sales and Advertising Policy (the "Policy") to encourage our Resellers to invest the requisite time and energy into Rheem's products, to remain competitive in the marketplace, to protect Rheem's image and family of brands, and to ensure that the prices at which our products are advertised or sold online reflect the value and quality of those products.

This Policy is issued unilaterally by Rheem. At Rheem's sole discretion, Resellers that violate the terms of this Policy may be subject to the consequences detailed under the Violation provisions in sections A and B, below. Rheem reserves the right to make changes to this Policy at any time and from time to time. This Policy will be kept and maintained at <https://www.rheem.com/salespolicies/> and each Reseller is responsible for regularly reviewing the latest version of this Policy.

This Policy has two components further explained below, an Online Sales component, as well as an Advertising component.

A. Online Sales

Scope of the Policy -- Who may sell Rheem air conditioning products online?

Authorized wholesale distributors of Rheem air conditioning products ("Distributors") and their Permitted Online Resellers, as well as authorized retailers -- which collectively are covered by the term "Resellers" in this Policy -- may sell the Online Eligible Products (defined below). "Permitted Online Resellers" means online reseller customers of Distributors who meet the requirements of, and comply with, this Policy.

Which AC products may be sold online?

A current list of the product models that may be advertised for online sale, offered for online sale or sold online (the "Online Eligible Products") is available and will be maintained at <https://www.rheem.com/salespolicies#wh-map-air>. It is each Reseller's obligation to regularly monitor the list of Online Eligible Products and to ensure that its sales and promotion activities comply with this Policy. Online Eligible Products are not permitted to be resold on auction websites or on online marketplaces. Please note that the online sale of any Rheem HVAC products other than the Online Eligible Products is contrary to this Policy. Notwithstanding the foregoing, Rheem reserves the right to modify the list of Online Eligible Products at any time and also to offer other Rheem products for online sale, directly or indirectly, through other programs.

The Policy does not prohibit general promotion of Rheem products other than Online Eligible Products when they are not offered for sale or sold online. Consistent with this Policy, Distributors may complete sales to their contractor customers of Rheem products other than Online Eligible Products on non-public e-commerce platforms.

Requirements

It is Rheem's Policy that each Reseller must disclose to Rheem (by email sent to imap.adminAC@rheem.com) all URLs of the websites through which the Reseller sells and promotes Online Eligible Products (the "Selling Websites"). All new Selling Websites or changes to existing URLs must be reported within five (5) business days after going online.

Each Reseller must in a conspicuous manner on each Selling Website: (1) provide a list of, or link to, qualified, trained and licensed (where licensing is required) HVAC installation professionals ("Qualified HVAC Installer") in the online customer's geographic area or a link to the Rheem Dealer Locator website and (2) clearly state that the manufacturer strongly recommends installation of the products by a Qualified HVAC Installer and that the manufacturer's limited warranty for Online Eligible Products will be voided if the equipment is not installed by a Qualified HVAC Installer.

Each Reseller must provide each online customer with clear and conspicuous notice of the Rheem limited warranties for the Online Eligible Products ("Limited Warranty"), including a copy of the applicable Limited Warranty or clear instructions on how to access the applicable Limited Warranty. Resellers must not misrepresent the terms of the Limited Warranty or provide any warranty information in a misleading manner or in violation of applicable law.

Each Reseller must provide live support to online customers via telephone or online chat during normal business hours.

Resellers may not market, promote, sell or export the Online Eligible Products outside the United States of America.

Each Reseller must fulfill Online Eligible Product orders within 10 calendar days or less.

Each Reseller must provide secure shopping cart and SSL certification for the complete online transaction with each online customer.

Each Reseller may use only the current Rheem-authorized product images, marketing and service materials, and advertising copy for the Online Eligible Products, including current product titles, descriptions, model numbers, and technical data. The Reseller must update its website within five business days of notice by Rheem of any changes to these product materials or information.

In all activities relating to the Online Eligible Products, each Reseller must comply with all applicable federal, state, and local laws and regulations (including without limitation such laws and regulations that are applicable to HVAC equipment and its sale, installation and use), and observe the highest standards of professionalism, industry standards, ethics, and fair dealing. Resellers must not engage in any unlawful, unfair, misleading, or deceptive practices including but not limited to false advertising, aggressive sales tactics, or misrepresentation, exaggeration, or misstatement of product features, consumer benefits, or operational characteristics.

Resellers must not engage in "bait and switch" practices, such as advertising products that are not available in sufficient quantities or not available at the stated price with the intent or effect of switching potential purchasers to another product.

Resellers must not use the words "Rheem", "WeatherKing", "Ruud", or any Rheem company or brand name or similar words within a root URL, email address, or any other identifier associated with the Online Reseller. Each Reseller must comply with Rheem's branding policies in all use of any Rheem brand name, logo, trademark, trade dress, or any other intellectual property.

Violations

Rheem has the right in its sole discretion to choose with whom it wishes to do business or not do business. If a Reseller fails to comply with this Policy or any other Rheem policy, Rheem may choose to no longer do business with that Reseller and may revoke that Reseller's status as a Permitted Online Reseller. It is also a violation of this Policy for a Reseller to sell Online Eligible Products to a customer that offers, promotes, or sells any Rheem HVAC products via the Internet not in accordance with this Policy.

As a consequence of a Reseller's violation/s of this Policy occurring within a rolling 12-month period, Rheem may, at its sole discretion:

1st Violation — Issue a written notice to Reseller;

2nd Violation — Issue a written notice to Reseller and will place Reseller on a list of prohibited Resellers for a period of 30 Days;

More than two violations – Rheem may immediately and permanently place Reseller on a list of prohibited Resellers and will stop all sales of Online Eligible Products to Reseller.

Additionally, Rheem, at its sole discretion, may unilaterally impose sanctions against Distributors who supply Online Eligible Products to a Reseller while that Reseller is on the list of prohibited Resellers. Such sanctions may include, in Rheem's sole discretion, a reduction of Distributor GDP monies or a temporary or permanent cessation of sales to Distributor of Online Eligible Products.

Distributors may sell Online Eligible Products only to Permitted Online Resellers that are located in the Distributor's authorized territory.

Rheem will independently and unilaterally monitor and enforce compliance with this Policy. Resellers will not be involved in monitoring or investigating any actions of other Resellers. Rheem reserves the right in its sole discretion to modify this Policy and/or the Online Eligible Products, as well as to discontinue or suspend the online resale of its products entirely at any time as it sees fit.

B. Minimum Advertised Prices on the Internet

Scope of this Policy

This Policy applies to Rheem-qualified Resellers and Online Eligible Products; non-qualified online retailers are not permitted to advertise any Rheem products. The air conditioning products to which this Policy applies are listed on the document entitled "Rheem Air Conditioning Division Internet MAP Policy Price List," the current version of which can be found at <https://www.rheem.com/salespolicies#wh-map-air> (the "MAP List") and referred to in this Policy as both the Online Eligible Products and the "MAP Products". This Policy applies to all advertisement and promotion of MAP Products by Resellers on the Internet, including without limitation all websites, social networks, banner ads, broadcast emails, landing pages, etc.

Please note that this Policy applies only to advertised prices and not to the price at which the product is actually sold to an end customer. Resellers are free to decide independently whether to comply with this Policy and may sell the MAP Products at any prices they choose.

This Policy is administered unilaterally by Rheem and is non-negotiable. Rheem does not seek consultation with any online Reseller and Rheem will not negotiate with or enter into an agreement with any Reseller regarding this Policy or regarding the prices at which the Reseller will sell the Products.

Rheem may modify this Policy and/or the MAP List at any time in its sole discretion and Rheem will enforce this Policy in its sole discretion. It is each Reseller's responsibility to check <https://www.rheem.com/salespolicies#wh-map-air> regularly so as to be aware of changes to this Policy or the MAP List, including without limitation changes to MAP Products and minimum advertised prices.

Internet Advertising Prices

It is a violation of this Policy for Resellers to advertise or otherwise promote the MAP Products online at a net price lower than the Rheem published minimum advertised price (the "MAP") current at the time of the advertisement or promotion. The current list of MAP Products can be found at <https://www.rheem.com/salespolicies#wh-map-air>. Although Rheem is not directing any Reseller to require that its customers comply with this Policy, it is also a violation of this Policy for Resellers to sell the MAP Products to any other person or entity that advertises or otherwise promotes the Products on the Internet at a net price lower than the MAP.

Please note the following additional information about advertising and promotion of the MAP Products on the Internet:

- Resellers are free to advertise the Products on the Internet at any price equal to or higher than the MAP.
- Resellers may advertise that customers may contact the Reseller to learn the actual sale price, using language such as "call for a price" or "email for a price". For "email for a price," any response must be individualized and not an automated or auto-generated response.
- A price that can be seen on the Reseller's website by the user clicking on "add to shopping cart" or "click here to check out" functions of the website will not be considered by Rheem to be the advertised price and is therefore not covered by this Policy. However, website features such as "click for price", automated "bounce-back" pricing e-mails, forms, and automatic price display for any items prior to being placed in a customer's shopping cart, and other similar features are considered to be communications initiated by the Reseller (rather than by the customer) and thereby constitute "advertising" under this Policy.
- When shown on the same webpage or email as an advertisement for a Product, promotional gift cards, instant rebates and other promotional activities that effectively lower the advertised price below the MAP are not permitted.
- Applicable taxes paid by the Reseller's customer will not be included as part of the MAP.
- If the Products are offered as part of a package or bundle of products, then the advertised price for the package or bundle cannot be lower than the sum of the MAPs of the Products included in the package or bundle.

The following actions by a Reseller will not be deemed to lower the effective advertised price of a Product covered by this Policy: Rheem-sponsored rebate programs; offering of free shipping; and offering of no-interest financing.

Enforcement of this Policy

Upon verification by Rheem to its satisfaction that the Reseller has advertised or otherwise promoted a Product at a net price less than the MAP, Rheem in its sole discretion may take the following actions:

1st Violation — Written notice to Reseller;

2nd Violation — Rheem may place Reseller on a list of prohibited Resellers for a period of 30 days;

3rd Violation within a rolling 12-month period — Rheem may permanently place Reseller on a list of prohibited Resellers.

Additionally, Rheem may unilaterally impose sanctions against Distributors who supply Products to a Reseller while that Reseller is on the list of prohibited Resellers. Such sanctions may include, in Rheem's sole discretion, from a reduction of Distributor GDP monies to a temporary or permanent cessation of sales to Distributor of product for online resale.

C. Contact Information

All questions or comments regarding this Policy are to be directed via email to imap.adminAC@rheem.com. No Rheem employee or representative is authorized to discuss any Reseller's compliance or non-compliance with the Policy, or to waive any non-compliance. Rheem

will enforce this Policy unilaterally and does not seek, and will not entertain, any complaints or reports about any Reseller's compliance with these Guidelines.