



## Water Heater Division MAP Policy

(United States)

Effective January 1, 2021

Rheem is a leading air conditioning and heating equipment ("WATER HEATER") company in the United States. We take pride in our WATER HEATER 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. Accordingly, Rheem has unilaterally implemented this Air Conditioning Division Internet Minimum Advertised Price 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 online reflect the value and quality of those products.

### 1. Scope of this Policy

The WATER HEATER products to which this Policy applies (the "Products") are listed on the document entitled "Rheem Water Heating Division Internet MAP Policy Price List," the current version of which can be found at <https://www.rheem.com/map/> (the "MAP List"). This Policy applies to all advertisement and promotion of the 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, which is set by Resellers.

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. Please note that Rheem employees and representatives are not authorized to discuss any aspect of this Policy, including its meaning or interpretation. All inquiries regarding this Policy should be

directed to the following email address:

[whonline.admin@rheem.com](mailto:whonline.admin@rheem.com).

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/internetpolicy> regularly so as to be aware of changes to this Policy or the MAP List, including without limitation changes to minimum advertised prices.**

### 2. Internet Advertising Prices

It is a violation of this Policy for Resellers to advertise or otherwise promote the 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 MAPs can be found at <https://www.rheem.com/map/>. 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 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 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,

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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:
  - o Rheem-sponsored rebate programs;
  - o Offering of free shipping; and
  - o Offering of no-interest financing.

### 3. 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:

1. On the reseller’s first violation Rheem may issue a notice of violation to the reseller by email. The reseller will then have twenty-four (24) hours from the date of Rheem’s notice to acknowledge the violation and forty-eight (48) hours to correct and comply with this Policy.

If the reseller does not correct the violation within the aforementioned forty-eight (48) hours period, then Rheem may cease to fill and accept orders from the reseller for the Product model that is subject to the violation. If the violation is not corrected within 4 days from the date of Rheem’s initial notice, then the reseller will be deemed to have committed a second violation of this Policy and Rheem may proceed as described in paragraph 2, below. If the reseller corrects the first violation within the four (4) -day period, but violates the policy again within 30 days, then Rheem may also proceed as described in paragraph 2, below.

2. On the reseller’s second violation within a 30 day period, Rheem may issue a notice of the violation by email to the reseller and Rheem may decide not to accept or fill any orders from reseller for a period of up to thirty (30) days from the date on the written notice of violation.
3. On the reseller’s third violation within a 30 day period, Rheem will immediately and permanently place Reseller on a list of prohibited Resellers and will stop all sales to Reseller.

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.

Rheem will independently and unilaterally monitor and enforce compliance with this Policy. Neither Distributors nor Resellers will be involved in monitoring or investigating any actions of other Resellers.

Rheem appreciates your compliance with this Policy and thanks you for your continued support of Rheem WATER HEATER products.

**PLEASE CHECK THE BOX TO ACKNOWLEDGE RECEIPT OF THE WATER HEATER DIVISION MAP POLICY**