



Water Heater Online Sales Policy

(United States)

Effective January 1, 2021

Rheem Sales Company, Inc. (“Rheem”) takes pride in its WATER HEATER products’ reputation for quality and performance. In order to maintain Rheem’s excellent reputation, we believe it is important that resellers of the WATER HEATER products 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 WATER HEATER plumber, and be able to provide effective post-sales support. Since WATER HEATER products are part of an applied system, we continue to believe that in-person sales of Rheem products by plumbers 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.

This Online Sales Policy sets clear guidelines for the online sale of Rheem’s WATER HEATER products in a manner that will protect Rheem’s reputation and provide a good experience for online customers. This policy is issued unilaterally by Rheem, and Rheem expects all Resellers (as defined below) to conduct themselves consistent with this policy. Resellers that violate the terms of this Policy will be subject to the consequences detailed under the section entitled “Violations”, 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/internetpolicy> and each Reseller is responsible for regularly reviewing the latest version of this Policy.

Who may sell Rheem WATER HEATER products online?

Authorized wholesale distributors of Rheem WATER HEATER products (“Distributors”) and their Permitted

Online Resellers, as well as authorized retailers (together, the “Resellers”) 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 Online Sales Policy. “Online Eligible Products” means any Rheem WATER HEATER product sold online.

Where can Rheem WATER HEATER products be sold online?

Rheem WATER HEATER product models that may be advertised for online sale, offered for online sale or sold online on a Distributor or Reseller direct website. Rheem WATER HEATER Products are not permitted to be sold or resold on auction websites or on online marketplaces, including but not limited to Amazon Marketplace, Walmart Marketplace, Ebay, and Houzz, unless agreed to in writing by Rheem Water Heater E-Commerce Manager or Rheem Water Heater Vice President of Sales. It is each Reseller’s obligation to regularly monitor where product is being sold and to ensure that its sales and promotion activities comply with this Online Sales Policy.

Notwithstanding the foregoing, Rheem reserves the right to modify this policy at any time and also to offer other Rheem WATER HEATER products for online sale, directly or indirectly, through other programs.

The Policy does not prohibit Distributors from completing sales to their plumber customers of Rheem products on non-public e-commerce platforms.

Requirements

All Resellers must comply with these rules:

- Each reseller must acknowledge receipt of the policy
- Each Reseller must disclose to Rheem (by email sent to whonline.admin@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 and acknowledged as received prior to going live online.

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- All Resellers, new and existing, are required to complete (WHDINET FORM) and return to whonline.admin@rheem.com.
- 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 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 two 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 WATER HEATER 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”, “Richmond”, “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, or Rheem may choose to modify or decrease any rebates, incentives, discounts or other promotional support programs offered to a 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 WATER HEATER products via the Internet not in accordance with this Policy.

Rheem may, at its sole discretion, impose the following consequences for a Reseller’s violations of this Policy occurring within a rolling 12-month period:

1. 1st Violation — Written notice to Reseller. Notice must be acknowledged with 24 hours and violation must be fixed within 48 hours.
2. 2nd Violation — Written notice to Reseller and may place Reseller on a list of prohibited Resellers for a period of 30 Days. Rheem may decide not to accept or fill any orders from reseller during this period.
3. More than two violations in a six month period– Rheem may immediately and permanently place Reseller on a list of prohibited Resellers and may 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, including modifications or decreases to any rebates, incentives, discounts or other promotional support programs offered to Distributors. 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. Distributors may sell

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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, as well as to discontinue or suspend the online resale of its products entirely at any time as it sees fit.

Contact Information

All questions or comments regarding this Policy are to be directed via email to whonline.admin@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.

All Resellers, new and existing, are required to complete below and return to whonline.admin@rheem.com to acknowledge their receipt of this Online Sales Policy prior to selling any Rheem WATER HEATING products online.

CUSTOMER CONTACT AND URL REGISTRATION

BUSINESS NAME

BUSINESS ADDRESS

BUSINESS PHONE

BUSINESS FAX

BUSINESS EMAIL

LIST ANY/ALL ADDITIONAL URL'S YOU SELL ON, INCLUDING ANY MARKETPLACES (IE. AMAZON, EBAY). IF YOUR NAME ON THE MARKETPLACE DIFFERS IT NEEDS TO BE LISTED HERE AS WELL

CONTACT FOR PRODUCT DATA & ASSETS

CONTACT NAME

CONTACT PHONE

CONTACT EMAIL

CONTACT FOR PRICING (If different than above)

CONTACT NAME

CONTACT PHONE

CONTACT EMAIL

SIGNATURE

SIGNATURE

DATE

PRINT NAME AND TITLE

FOR INTERNAL USE ONLY:

CHANNEL: WHOLESALE RETAIL

REGION

RHEEM ACCOUNT #

DATE RECEIVED

DATE APPROVED

APPROVED BY