

UNILATERAL MINIMUM RETAIL PRICE (UMRP)

This policy became effective on January 1st 2017, all distributors and dealers doing business with WATERSTONE on and after that date are bound to the terms and conditions of this policy.

Waterstone Faucets is dedicated to providing our distributors and dealers with the highest quality, most innovative products sold through superior sales and marketing support. With this company objective in mind, Waterstone Faucets is introducing its Unilateral Minimum Retail Price (UMRP) Policy in order to maintain proper positioning of our products in the marketplace, to define guidelines for the use of Waterstone patented, trademarked and copyrighted product and materials, and to solidify and preserve a consistent value for our distributors and dealers.

UNILATERAL POLICY GUIDELINES -

Each distributor and dealer remains free to determine for itself the resale prices at which it will sell and promote its products and each distributor or dealer is free to independently decide whether or not to follow the WATERSTONE UMRP policy. WATERSTONE does not ask for, nor will it accept, any assurance of compliance or agreement from a distributor or dealer regarding the UMRP policy. WATERSTONE is unilaterally implementing the Policy. WATERSTONE will determine whether or not distributors and dealers are in violation of the UMRP policy and will enforce the policy as it is warranted. All Decisions by WATERSTONE to take action for a violation of the UMRP Policy are final. There will be no negotiations.

The UMRP policy applies to discounted products, clearance items and closeouts. Waterstone has a very liberal return and repair policy. Products may be sent to us for repair to return them to their original saleable condition, therefore, the need for clearances and closeouts is unwarranted.

UMRP POLICY TERMS AND CONDITIONS -

WATERSTONE has established a Minimum Advertised Price (MAP) for all products. The Waterstone MAP is calculated at .75 times (25%) off current Waterstone Retail List Price in effect. This means that the advertised "Net Price" to the end user (The Waterstone Retail list price less all discounts, coupons, allowances, and free goods or services offered with Waterstone Products) must not be below the current WATERSTONE MAP.

WATERSTONE may engage in monitoring of advertised prices of Product sales in all channels, whether directly or via the use of third parties. Third parties retained by WATERSTONE may engage in monitoring of Product sales by distributors and dealers to verify that the terms of this Policy are being upheld. WATERSTONE reserves the right to change the MAP on 30 days written notice.

The UMRP policy applies to any and all advertisements, quotes, bids, estimates and invoices in all media including, but not limited to, inserts, newspapers, magazines, catalogs, public signage, billboards, and any other print media, television, radio, email, internet websites or other commerce, flyers, posters, coupons, brochures, and use of hypertext transfer protocol or internal links to a web based shopping cart and any other electronic media.

At no time may a distributor or dealer make any statements or other indication on any advertisements that a price below WATERSTONE'S MAP can be obtained by contacting the distributor or dealer, visiting the distributor or dealer showroom, clicking through to another price on a website, or any other means. A distributor or dealer may not use any WATERSTONE name(s), trademark(s), logo(s), patent(s) or products names(s), in a way that is not in accordance with this Policy or violates WATERSTONE'S MAP. This includes all product images, brand logos and any and all copyrighted materials.

VIOLATIONS -

In the event that a distributor or dealer violates this policy:

FIRST VIOLATION – WATERSTONE will notify the offending distributor or dealer in writing of the violation. The distributor or dealer will have ten (10) calendar days to correct the violation of the UMRP Policy and comply with WATERSTONE MAP.

If the distributor or dealer fails to correct the violation within the provided time, WATERSTONE will decrease the discounted price at which the distributor or dealer purchases WATERSTONE products by 10 percent for a period of ninety (90) calendar days. Additionally, WATERSTONE will remove the distributor or dealer from all links and listing on WATERSTONE'S website, and the distributor or dealer will be suspended from all sales programs offered to the distributor or dealer including but not limited to rebates, early pay incentives, freight programs, and sales incentives.

If at the end of the 90 day suspension period the distributor or dealer has complied with the policy and not otherwise violated the MAP, then the distributor or dealer will be reinstated to full status, and the suspended distributor or dealer programs will be re-started.

However, if the distributor or dealer continues to be in violation of the UMRP policy at the end of the ninety (90) day suspension period, it will be considered a second violation.

SECOND VIOLATION – At this time all pending orders will be immediately cancelled, and WATERSTONE will not accept any new orders. WATERSTONE will notify the distributor or dealer in writing and at its own discretion and without liability under any existing contracts or agreements, initiate the process to terminate the distributor or dealer authorization to sell WATERSTONE products.

For any questions regarding the UMRP, contact Waterstone customer service:

1-888-304-0660

support@waterstoneco.com

Hours are from 6:00am to 5pm PST



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