



Online Distribution Policy – United States

Amendment: March 1, 2018

As the landscape of consumer shopping changes we want our customers to be assured they have the best tools available to showcase the Pfister brand whether it is in a physical or virtual store. As such, Pfister has adopted the following policy for its direct customers as it relates to its Pfister branded finished goods product effective March 1, 2018. Direct customers are defined as wholesalers, distributors, showrooms and kitchen and bath dealers. This policy establishes both **Pfister Authorized Online Seller (Authorized)** and **Pfister Preferred online seller (Preferred)** and the requirements for both. This replaces and supersedes any prior online sales policy.

Pfister believes that the best strategy to provide strong, long-lasting equity with Pfister branded products is to ensure that the products are represented consistently across all locations where they are sold. Certain existing practices regarding branding, sales, advertising, and customer service are inconsistent with the way that Pfister would like to represent its image and ensure the best experience for its customers. As such, the organization is updating its current practices to enact the following changes:

Effective immediately, Pfister direct customers will not be permitted to:

- Sell Pfister products to customers who resell on the internet, unless the customer is either recognized **Authorized** or **Preferred** customer

Or

- Resell Pfister products on the internet on their own websites or through other websites including marketplace type sites like Amazon marketplace, eBay, Walmart, unless the distributor is **Authorized** or **Preferred** itself

To become an **Authorized** or **Preferred** online seller, each of Pfister's direct customers must complete the attached Pfister Online Policy Application. Pfister will review applications on a quarterly basis beginning March 2018 and will approve applications for a July 1, 2018 implementation. A list of authorized and preferred sellers will be maintained on Pfisterfaucets.com website, but all customers are responsible to ensure a partner organization is a preferred or authorized seller in good standing at the time of the transaction.

Authorized and Preferred Requirements and Benefits:

To ensure a strong Pfister brand image, the Pfister brand has laid out the requirements for both **Authorized** and **Preferred** categories. After July 1, 2018, all websites who are not **Authorized** or **Preferred** online sellers using Pfister images, logos and materials will be required to discontinue using Pfister produced proprietary branding materials until they are authorized to do so. Continued use of Pfister assets on unauthorized websites will result in a loss of access to images and product for a period of one year.

Pfister will review both **Authorized** and **Preferred** online sellers to ensure that they are consistent in the way they present the Pfister brand and retain the right to revoke status from any seller that is not in compliance with the requirements set forth below:

Type	Sales Requirements	Branding Requirements
PFISTER Authorized Online Seller (Authorized)	Must purchase more than \$200,000 in Pfister products annually for resale online	<ul style="list-style-type: none"> • All representations of Pfister (online) must be consistent with the current Pfister brand guidelines • The site name and URL must be consistent with the image of Pfister and represent its products appropriately • Report a listing of their customers who resell on the internet within 30 days of becoming an authorized seller and on-going by request • The company must provide transfer/POS data of its online sales of all Pfister product on end of the calendar quarterly basis (no more than 30 days after the end of the quarter) • Provide dedicated Pfister brand page URL (not search results page) to be utilized in “where to buy” online for Pfisterfaucets.com • All URLs must be approved by Pfister
Pfister Preferred Online Seller (Preferred)	Must purchase at least \$500,000 for online sales or at total of \$1 million of Pfister products annually for resale online or otherwise.	<ul style="list-style-type: none"> • All representations of Pfister (online or physical presence) must be consistent with the Pfister brand guidelines • The site name and URL must be consistent with the image of Pfister and represent its products appropriately • Report a listing of their customers who resell on the internet within 30 days of becoming a preferred seller and on-going by request • The company must provide transfer/POS data of its online sales of all Pfister product on a monthly basis (no more than 10 days after the end of the month) • Provide dedicated Pfister brand page URL (not search results page) to be utilized in “where to buy” online for Pfisterfaucets.com

For all customers who apply for the online seller status with Pfister, we will be offering additional benefits for their participation.

Online Seller Type	Branding Benefits	Sales Benefits
Pfister Authorized Online Seller (Authorized)	<ul style="list-style-type: none"> • Access and permission to use the full Pfister catalog of images, logos, product videos and content • First access to new product information, images and release dates • Access to training materials and warranty support help • Permission to use the Authorized online seller logo • Listing on the Pfister website as an Authorized seller 	<ul style="list-style-type: none"> • Authorized to sell Pfister products online • Listing in the “Where to buy” link on Pfisterfaucets.com
Pfister Preferred Online Seller (Preferred)	<ul style="list-style-type: none"> • Access and permission to use the full Pfister catalog of images, logos, product videos and content • First access to new product information, images and release dates • Access to training materials and warranty support help • Permission to use the Preferred online seller logo • Listing on the Pfister website as a Preferred seller 	<ul style="list-style-type: none"> • Authorized to sell Pfister products online through owned website • Deep linking of product on Pfisterfaucets.com • Opportunity to participate in Pfister’s National online promotional calendar

Unfortunately, Pfister will be required to take action if either **Authorized** or **Preferred** online sellers do not comply with the requirements and standards set out in the detail above. We regret to take action with partners, but we also know that it is important to maintain the health of the brand for all customers.

Enforcement	
1 st Event	Written warning (may be via email)
2 nd Event	Written notice with the following actions: <ul style="list-style-type: none"> • Suspension of authorized or preferred seller benefits for 30 days • Suspension of sales of Pfister products for 30 days to seller • The seller will not be authorized to purchase Pfister product from any other authorized or preferred sellers
3 rd Event	Written notice with the following actions: <ul style="list-style-type: none"> • Suspension of authorized or preferred seller benefits for 60 days

	<ul style="list-style-type: none">• Suspension of sales of Pfister products for 60 days to seller• The seller will not be authorized to purchase Pfister product from any other authorized or preferred sellers
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For all sellers who do not abide by or uphold the requirements for online sales, Pfister will reserve the right to indefinitely suspend online seller authorization, product shipments and sales of products. All violations are reviewed in a 12 month period from the date of the last violation.

A reseller violates this Policy by advertising, promoting or selling in any or all of the following ways: (i) outside the USA (except to the extent any or all advertising and promotion efforts cannot be reasonably restricted geographically, but this exception does not apply to sales made to anyone located outside the USA), (ii) doing business under or using any or all business names and storefronts other than the full business name of such Reseller or acceptable variants thereof (as determined by Manufacturer); and (iii) online in any fashion, unless and only to the extent each business name, storefront, website and marketplace used for such purpose by such Reseller is expressly approved in advance by Manufacturer Notice for such use and which approval has not been rescinded by Manufacturer.

We continue to develop the Pfister brand for future success across all channels and we appreciate your support in doing so.