To: Authorized Retailers of Delta Products

Re: Delta Brand Authorized Retailer Policy

Delta Faucet Company (“DFC”) is committed to protecting and maintaining its highly regarded brands and reputation for excellence, technology, and innovative solutions in the kitchen and bath to help people use water in better ways. Consistent with these commitments, DFC has designed products that meet the discerning demands of the end consumer. DFC believes that certain sales, advertising and customer service practices are inconsistent with its competitive strategy for these products and for the Delta brand image as an innovation and technology leader in the plumbing industry. These practices also may undermine the commitment of DFC and its Authorized Retailers to provide an appropriate level of service, merchandising, advertising and promotion in support of DFC’s strategy for its products and, in turn, the Delta brand image. This Delta Brand Authorized Retailer Policy applies to all Delta branded products (“Products”).

This Delta Brand Authorized Retailer Policy (“Retailer Policy”) replaces and supersedes any prior Delta Brand Sales or Distributor Policies. By purchasing Products from DFC or an Authorized Delta Distributor for resale to End Users (as defined herein), you (“Retailer”) agree to adhere to the following terms. This Retailer Policy supplements any then-current retailer agreements between you and DFC. Until such status is otherwise revoked by DFC in its sole and absolute discretion, Retailer shall be considered an “Authorized Retailer” hereunder. DFC may review Retailer’s activities for compliance with this Retailer Policy, and Retailer agrees to cooperate with any investigation, including, but not limited to, permitting inspection of Retailer’s facility and records related to the sale of the Products.

1. **Authorized Customers:** Retailer is authorized to sell Products purchased from DFC or an Authorized Distributor to End Users. An “End User” is a purchaser of the Products who (i) is the ultimate consumer of the Products and who does not intend to resell the Products to any third party, or (ii) purchases the Products to install for an ultimate consumer and who does not intend to resell the Products in an uninstalled state. Retailer shall not sell or transfer Products to any person or entity Retailer knows or has reason to know intends to resell the Products in an uninstalled state. Retailer shall not sell, ship, invoice, or promote the Products outside the United States of America without DFC’s prior written consent.

2. **Online Sales:** Retailer is authorized to advertise and sell Products through Permissible Public Websites in accordance with the terms herein. A “Permissible Public Website” is a website or mobile application that:
   a. is operated by Retailer in Retailer’s legal name or registered fictitious name;
   b. conspicuously states Retailer’s legal name or registered fictitious name, mailing address, telephone number, and email address;
   c. does not give the appearance that it is operated by DFC or any third party; and
   d. is operated in compliance with the terms and conditions set forth in the Delta Brand Online Sales Guidelines attached hereto as Exhibit A, as DFC may amend from time to time.

Retailer shall not advertise or sell the Products on or through any other website, online marketplace (including, but not limited to Amazon, eBay, Houzz, Walmart Marketplace, or Sears Marketplace), mobile application, or other online forum other than a Permissible Public Website without the prior written consent of DFC. DFC reserves the right to terminate, at any time and in its sole discretion, its approval for Retailer to market and sell Products on the Permissible Public Websites, and Retailer must cease all such marketing and sales on the Permissible Public Websites immediately upon notice of such termination. The terms of this Retailer Policy supersede any prior agreement between DFC and Retailer regarding the sale of the Products online.
3. **Sales Practices.**

   a) Retailer shall conduct its business in a reasonable and ethical manner at all times and shall not engage in any deceptive, misleading, or unethical practices or advertising at any time.

   b) Retailer shall not make any warranties or representations concerning the Products except as expressly authorized by DFC.

   c) Retailer shall comply with any and all applicable laws, rules, regulations, and policies related to the advertising, sale, and marketing of the Products.

   d) Retailer shall represent the Products in a professional manner and refrain from any conduct that is or could be detrimental to the reputation of DFC, the Delta brand, or the Products.

   e) Retailer shall not sell, ship, invoice, or promote Products outside the United States of America or to anyone Retailer knows or has reason to know intends to ship Products outside of the United States of America without DFC’s prior written consent.

4. **Product Care, Customer Service, and Other Quality Controls.**

   a) Retailer shall comply with all instructions provided by DFC regarding the storage, handling, shipping, disposal, or other aspect of the Products, including instructions provided on Product labels. Retailer shall store Products in a cool, dry place, away from direct sunlight.

   b) Retailer shall sell Products in their original packaging. Relabeling, repackaging (including the separation of bundled Products or the bundling of Products), and other alterations to Products or their packaging are not permitted. Retailer shall not remove, translate, or modify the contents of any label or literature on or accompanying the Products. Retailer shall not tamper with, deface, or otherwise alter any serial number, UPC code, or other identifying information on Products or their packaging.

   c) Retailer shall not represent or advertise any Product as “new” that has been returned open or repackaged.

   d) Promptly upon receipt of the Products, Retailer shall inspect the Products and their packaging for damage, defect, broken seals, evidence of tampering, or other nonconformance (a “Defect”). If any Defect is identified, Retailer shall not offer the Product for sale and must promptly report the Defect to DFC at sales@deltafaucet.com.

   e) Retailer shall be familiar with the special features of all Products marketed for sale and must obtain sufficient Product knowledge to advise customers on the selection, installation, and safe use of the Products, as well as any applicable warranty, guarantee, or return policy. Retailer must be available to respond to customer questions and concerns both before and after sale of the Products and should endeavor to respond to customer inquiries promptly.

   f) Retailer shall cooperate with DFC with respect to any Product tracking systems that may be implemented from time to time.

   g) Retailer shall cooperate with DFC with respect to any Product recall or other consumer safety information dissemination efforts.
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h) Retailer shall report to DFC any customer complaint or adverse claim regarding the Products of which it becomes aware. Retailer shall assist DFC in investigating any such complaints or adverse claims.

i) Retailer shall cooperate with DFC in the investigation and resolution of any quality or customer service issues related to Retailer’s sale of the Products, including disclosing information regarding Product sources, shipment, and handling.

5. **Intellectual Property.** Retailer acknowledges and agrees that DFC or its licensors own all proprietary rights in and to the Delta brand, names, logos, trademarks, service marks, trade dress, copyrights, and other intellectual property related to the Products (the “Delta IP”). Retailer is granted a limited, non-exclusive, non-transferable, revocable license to use the Delta IP solely for purposes of marketing and selling the Products as set forth herein. This license will cease upon termination of Retailer’s status as an Authorized Retailer. All goodwill arising from Retailer’s use of the Delta IP shall inure solely to the benefit of DFC or its licensors. Retailer’s use of the Delta IP shall be in accordance with any guidelines that may be provided by DFC from time to time (“Brand Guidelines”) and must be commercially reasonable as to the size, placement, and other manners of use. DFC reserves the right to review and approve, in its sole discretion, Retailer’s use or intended use of the Delta IP at any time, without limitation. Retailer shall not create, register, or use any domain name or any mobile application that contains any Product name or any trademark owned by or licensed to DFC, nor a misspelling or confusingly similar variation of any Product name or any trademark owned by or licensed to DFC.

6. **Termination and Violations.** If Retailer violates this Retailer Policy or Retailer falls out of good credit standing with DFC, DFC reserves the right to stop selling Products to Retailer and/or terminate Retailer’s status as an Authorized Retailer with written or electronic notice in DFC’s sole discretion. Upon termination of Retailer’s status as an Authorized Retailer, Retailer shall immediately cease (i) selling the Products; (ii) acting in any manner that may reasonably give the impression that Retailer is an Authorized Retailer of the Products or has any affiliation with DFC, and (iii) using all Delta IP.

7. **Modification.** DFC reserves the right to update, amend, modify, or discontinue this Retailer Policy at any time. Unless otherwise provided, such amendments will take effect immediately and Retailer’s continued use, advertising, offering for sale, or sale of the Products, use of the Delta IP, or use of any other information or materials provided by DFC to Retailer will be deemed Retailer’s acceptance of the amendments.

8. **Confidentiality.** This Retailer Policy, and its attachments, if any, constitute confidential, proprietary information of DFC and shall not be used for any purpose other than the authorized advertising and sale of the Products nor disclosed to any third party without the prior written consent of DFC.

No DFC employee or representative is authorized to modify or change this Retailer Policy for any particular Authorized Retailer. DFC alone will implement, interpret and enforce this Retailer Policy in its sole discretion and independent judgment.

Please make sure that all appropriate people in your organization receive a copy of this Retailer Policy. This Retailer Policy is in addition to and separate from all other DFC policies.

Thank you for your continued support of DFC and the Delta brand.
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Exhibit A
Delta Brand Online Sales Guidelines

Retailer’s approval to sell Products on Permissible Public Websites is conditioned on adherence to the following terms and conditions:

• Retailer must purchase at least $1,000,000 of Products annually for resale online or a total of $5,000,000 of Products annually for resale online or otherwise.
• Retailer must provide transfer/POS data with respect to its online sales of all Products on a monthly basis within 30 days of the end of each month.
• Retailer’s website name and URL shall be consistent with the image of the Delta brand as determined by DFC in its sole discretion.
• The website must display Products in a manner that is consistent with the Delta brand image as determined by DFC in its sole discretion.
• If also selling other than online, Retailer must maintain the same high standards with its online sales as with its non-online sales.
• Retailer must provide a high-quality customer service experience for online customers shopping on any Permissible Public Website.
• Each Permissible Public Website must be in compliance with all applicable privacy, accessibility, and data security laws, regulations, and industry standards.
• Unless designated by DFC, Products may not be sold on third party websites, auction sites, and/or online marketplaces.
• In marketing the Products online, Retailer shall use images of Products supplied by DFC and shall keep all Product images and descriptions up to date.
• To the extent Retailer offers for sale used or open-box Products, Retailer shall conspicuously disclose such Products’ condition as “Open Box,” “Used,” or other appropriate condition indicating the Product is not new. Retailer shall disclose in each such product listing that DFC’s warranty does not apply to used or open-box Products.
• The website must not give the appearance that it is operated by DFC or any third party other than Retailer.
• Anonymous sales are prohibited. Retailer’s full legal name or registered fictitious name, mailing address, email address, and telephone contact must be stated conspicuously on the website and must be included with any shipment of Products from the website or in an order confirmation email sent at the time of purchase.
• The website shall have a mechanism for receiving customer feedback and Retailer shall use reasonable efforts to address all customer feedback and inquiries received in a timely manner.
• At the request of DFC, Retailer must promptly provide DFC with copies of all pages within the website, including sharing customer service and product quality information.
• Retailer shall be responsible for all fulfillment to its customers who order Products through the website, any applicable taxes associated with such purchases of Products, and any returns of Products.
• DFC reserves the right to require Retailer to adhere and agree to additional terms relating to the quality and sale of Products online.

DFC may periodically conduct a review of Retailer and revoke Authorized Retailer status if Retailer is not in compliance with the above requirements.