

Dear Distributor,

At Brasstech, Inc., we are committed to you and your customers—the distributors and resellers that help our company offer consumer-driven product choices at the highest quality construction to enhance and beautify kitchen and bathroom spaces. To protect our brands and the integrity of our authorized distribution channels, Brasstech is announcing an update to its Authorized Reseller Program for the Newport Brass®, Newport 365®, Ginger®, and Brasstech® brands, effective January 1, 2020.

Your obligations under our updated Authorized Reseller Program are outlined in the attached **Brasstech, Inc. Authorized Distributor Policy**.

Among other benefits, our Authorized Reseller Program will ensure that all sellers of Brasstech products understand and take the steps necessary to ensure product quality and provide the excellent customer service that is integral to the reputation of our brands. In addition, our Authorized Reseller Program will assist us in identifying and taking action against unauthorized sellers that are harming you, your customers, and consumers through the sale of damaged and diverted products.

Pursuant to the Authorized Distributor Policy, you may sell Brasstech products for purposes of resale only to customers who are classified as “Authorized Resellers.” To become and remain an Authorized Reseller, your reseller customers will be required to abide by the attached **Brasstech, Inc. Authorized Reseller Policy**. You are also permitted to sell products directly to end user consumers.

Please also note that the Authorized Distributor Policy prohibits you from selling Brasstech products on any publicly accessible website or other online platform without Brasstech’s prior written consent. You may use an online order portal to facilitate orders from Authorized Resellers, so long as that portal requires Authorized Resellers to obtain an account and log in to view product listings and pricing information. This rule will be strictly enforced.

If you would like to sell Brasstech products online, please complete and submit the Brasstech, Inc. Online Sales Application and Agreement to: [jwood@brasstech.com](mailto:jwood@brasstech.com). You must complete the application form and agree to the terms of the agreement, which Brasstech will review and approve in Brasstech’s sole discretion.

Brasstech has also updated its unilateral Minimum Advertised Price Policy (“MAP Policy”), which applies to all retail advertising by authorized sellers of Brasstech products in the United States. A copy of the MAP Policy, which will be effective on January 1, 2020, is attached for your review and reference.

Finally, the Authorized Distributor Policy requires that you forward the Authorized Reseller Policy and any other materials requested by Brasstech to your reseller customers. For your convenience, we have attached an Authorized Reseller Packet, which contains the documents that you are required to forward to your reseller customers at this time. In particular, the Authorized Reseller Packet contains: (1) the Authorized Reseller Policy; (2) a letter to your reseller customers describing the Authorized Reseller Policy and the purposes of our Authorized Reseller Program; and (3) Brasstech’s updated unilateral MAP Policy. We ask that you forward a copy of the attached Authorized Reseller Packet to each of your reseller customers as soon as possible and thank you in advance for your cooperation and assistance.

Thank you for your careful attention to the attached documents and for your continued support of Brasstech and the Brasstech brands.

Sincerely,

Brasstech, Inc.



## BRASSTECH, INC. AUTHORIZED DISTRIBUTOR POLICY

To: Brasstech, Inc. Showrooms, Wholesalers, and Distributors

Re: **Brasstech, Inc. Authorized Distributor Policy**

Date: December 1, 2019

Brasstech, Inc. (“Brasstech”) has adopted this Brasstech, Inc. Authorized Distributor Policy (the “Distributor Policy”) for its Newport Brass®, Newport 365®, Ginger®, and Brasstech® brand product offerings (“Products”). This Distributor Policy applies to all Brasstech, Inc. Showrooms, Wholesalers, and Distributors in the United States of America, and is effective January 1, 2020. This Distributor Policy replaces and supersedes any prior Brasstech, Inc. Brands Sales Policies.

Brasstech’s premium Newport Brass, Newport 365, Ginger, and Brasstech brands (each a “Brasstech Brand” and collectively the “Brasstech Brands”) offer consumers distinctive designs and inventive technologies that meet the discerning demands of the high-end consumer. Brasstech is committed to maintaining the high-end, quality image of the Brasstech Brands. Among other things, Brasstech has selectively appointed only certain channel partners to promote and sell Products. Brasstech also has established marketing, display and sales expectations for Products that channel partners must satisfy, which ensures that consumers select and purchase Products in an atmosphere consistent with the Brasstech Brands’ premium brand image.

Brasstech believes that certain practices are inconsistent with its strategy for each of the Brasstech Brand’s brand image. These practices also may undermine the commitment of Brasstech and channel partners to provide an appropriate level of service, merchandising, advertising and promotion in support of Brasstech’s strategy.

By purchasing Products from Brasstech for resale to End Users (as hereinafter defined) and distribution to Authorized Resellers (as hereinafter defined), you (“Distributor,” “you,” or “your”) agree to adhere to the following terms and conditions. Until such status is revoked by Brasstech in Brasstech’s sole and absolute discretion, Distributor shall be considered an “Authorized Distributor.” Brasstech may review Distributor’s activities for compliance with this Distributor Policy, and Distributor agrees to cooperate with any such investigation, including, but not limited to, permitting inspection of Distributor’s facilities and records related to the sale of the Products.

1. **Authorized Customers.** Distributor is authorized to sell Products purchased from Brasstech or a Brasstech Authorized Distributor to Authorized Resellers and End Users (collectively, “Authorized Customers”).
  - (a) An “Authorized Reseller” is an individual or business entity that:
    - (i) purchases Products from Brasstech or an Authorized Distributor and resells the Products as part of a commercial enterprise;
    - (ii) has received and agrees to adhere to the Brasstech, Inc. Authorized Reseller Policy; and
    - (iii) has not had its Authorized Reseller status revoked by Brasstech.

- (b) An “End User” is any 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.
- (c) If any customer or prospective customer of Distributor that seeks to purchase Products for purposes of resale is not yet an Authorized Reseller, Distributor shall immediately provide the Brasstech, Inc. Authorized Reseller Policy to such customer/prospective customer. If such customer/prospective customer accepts the terms in the Brasstech, Inc. Authorized Reseller Policy, Distributor may thereafter sell Products to such customer, which shall thereafter be an Authorized Reseller unless and until Brasstech revokes such status. Authorized Resellers are determined by Brasstech in its sole discretion.
- (d) Distributor shall distribute policies, updates to policies, product information, educational materials, and other information to its Authorized Reseller customers as requested by Brasstech from time to time.
- (e) Distributor agrees to cease or suspend sales to any customer promptly upon request of Brasstech.
- (f) Distributor shall not sell, ship, invoice, or promote Products outside the United States of America or to anyone Distributor knows or has reason to know intends to ship Products outside of the United States of America without Brasstech’s prior written consent.
- (g) Distributor shall not sell Products to any person or entity that it knows or reasonably expects will resell such products on the internet (unless that person or entity is an Authorized Online Seller). A list of Authorized Online Seller is available on the Brasstech website, or from Brasstech upon request.
- (h) Notwithstanding Section 1(a), Distributor shall not sell Products to any entity that operates a third-party marketplace website, including, but not limited to Amazon.com, Groupon.com, or Jet.com (or any of their affiliates), without Brasstech’s prior written consent.

2. **Online Sales.**

- (a) **Unless authorized in writing by Brasstech, Distributor shall not market or offer for sale the Products on or through any Publicly Accessible Website.** A “Publicly Accessible Website” is a website, online marketplace, mobile application, or other online forum that advertises Products or offers Products for sale and displays Product pricing information in a location that can be viewed by a prospective customer without creating an account and logging in. **All third party marketplace websites, including but not limited to Amazon, eBay, Houzz, Walmart Marketplace, or Sears Marketplace are all Publicly Accessible Websites. Sales on these websites are prohibited without Brasstech’s prior written consent.** A website operated by Distributor to facilitate orders from Authorized Resellers that requires the Authorized Reseller to obtain an account and log in to view Product listings and pricing information is not considered a Publicly Accessible Website.

The terms of this Distributor Policy supersede any prior agreement between Brasstech and Distributor regarding the sale of Products on Publicly Accessible Websites. Any authorization previously granted to Distributor by Brasstech to sell Products on a Publicly Accessible Website is hereby revoked.

- (b) If Distributor is interested in becoming an Authorized Online Seller, Distributor must submit a Brasstech, Inc. Online Sales Application and Agreement, which shall be subject to approval by Brasstech in its sole discretion.
3. **Sales Practices.** Distributor 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. Distributor shall not make any warranties or representations concerning Products except as expressly authorized by Brasstech. Distributor shall comply with any and all applicable laws, rules, regulations, and policies related to the advertising, sale, and marketing of the Products. Distributor shall represent the Products in a professional manner and refrain from any conduct that is or could be detrimental to the reputation of Brasstech, the Brasstech Brands, or the Products.
4. **Product Care, Customer Service, and Other Quality Controls.**
- (a) Distributor shall comply with all instructions provided by Brasstech regarding the storage, handling, shipping, disposal, or other aspect of the Products, including instructions provided on Product labels. Distributor shall store Products in a cool, dry place, away from direct sunlight.
  - (b) Distributor shall not represent or advertise any Product as “new” that has been returned open or repackaged.
  - (c) Distributor 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. Distributor shall not remove, translate, or modify the contents of any label or literature on or accompanying the Products. Distributor shall not tamper with, deface, or otherwise alter any serial number, UPC code, or other identifying information on Products or their packaging.
  - (d) Promptly upon receipt of the Products, Distributor shall inspect the Products and their packaging for damage, defect, evidence of tampering, or other nonconformance (a “Defect”). If any Defect is identified, Distributor must not offer the Product for sale and must promptly report the Defect to Brasstech at [RGARrequest@Brasstech.com](mailto:RGARrequest@Brasstech.com).
  - (e) Distributor 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. Distributor 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) Distributor shall cooperate with Brasstech with respect to any Product tracking systems that may be implemented from time to time.

- (g) Distributor shall cooperate with Brasstech with respect to any Product recall or other consumer safety information dissemination efforts.
  - (h) Distributor shall report to Brasstech any customer complaint or adverse claim regarding the Products of which it becomes aware. Distributor shall assist Brasstech in investigating any such complaints or adverse claims.
  - (i) Distributor shall cooperate with Brasstech in the investigation and resolution of any quality or customer service issues related to Distributor's sale of the Products, including disclosing information regarding Product sources, shipment, and handling.
5. **Intellectual Property.** Distributor acknowledges and agrees that Brasstech owns all proprietary rights in and to the Newport Brass, Newport 365, Ginger, and Brasstech brands, names, logos, trademarks, service marks, trade dress, copyrights, patents, and other intellectual property related to the Products (the "Brasstech IP"). Distributor is granted a limited, non-exclusive, non-transferable, revocable license to use the Brasstech IP solely for purposes of marketing and selling the Products as set forth herein. This license will cease upon termination of Distributor's status as an Authorized Distributor. All goodwill arising from Distributor's use of the Brasstech IP shall inure solely to the benefit of Brasstech. Distributor's use of the Brasstech IP shall be in accordance with any guidelines, including the Brasstech, Inc. Corporate Brand guidelines, which may be provided by Brasstech from time to time and must be commercially reasonable as to the size, placement, and other manners of use. Brasstech reserves the right to review and approve, in its sole discretion, Distributor's use or intended use of the Brasstech IP at any time, without limitation. Distributor 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 Brasstech, nor a misspelling or confusingly similar variation of any Product name or any trademark owned by or licensed to Brasstech.
6. **Termination and Violations.** If Distributor violates this Distributor Policy, Brasstech reserves the right to stop selling Products to Distributor, and/or terminate Distributor's status as an Authorized Distributor with written or electronic notice in Brasstech's sole discretion. Upon termination of a Distributor's status as an Authorized Distributor, Distributor shall immediately cease (i) selling the Products; (ii) acting in any manner that may reasonably give the impression that Distributor is an Authorized Distributor of the Products or has any affiliation whatsoever with Brasstech; and (iii) using all Brasstech IP.
7. **Modification.** Brasstech reserves the right to update, amend, modify, or discontinue this Distributor Policy at any time. Unless otherwise provided, such amendments will take effect immediately and Distributor's continued use, advertising, offering for sale, or sale of the Products, use of the Brasstech IP, or use of any other information or materials provided by Brasstech to Distributor following notice of the amendments will be deemed Distributor's acceptance of the amendments.
8. **Confidentiality.** This Distributor Policy, and its attachments, if any, constitute confidential, proprietary information of Brasstech 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 Brasstech.

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

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

Thank you for your continued support of Brasstech and the Brasstech Brands.

## Brasstech, Inc. Minimum Advertised Price (MAP) Policy

As part of its strategy to market the finest in decorative hardware and plumbing products, Brasstech, Inc. has adopted the following Minimum Advertised Price Policy (“Policy”) for Newport Brass®, Newport 365®, Ginger®, and Brasstech®-branded products (the “Products”). This Policy is effective January 1, 2020, and applies to all advertisements of the Products by Brasstech, Inc.’s Brasstech, Inc. Brand Showrooms, Wholesalers, Distributors and Kitchen and Bath Dealers, Resellers, and Retailers (“Customers”).

This Policy supersedes all prior Brasstech, Inc. Minimum Advertised Price Policies. To the extent that any provision, term, or agreement governing the relationship between Brasstech, Inc. and any Customer may be construed in a manner that is inconsistent with the terms of this Policy, the terms of this Policy control.

It is a violation of this Policy for any Customer to display an Advertised Price (as defined herein) for a Product below the Product’s Minimum Advertised Price.

“Minimum Advertised Price” shall mean the MAP listed for each Product in the then-current Brasstech, Inc. price file. In its sole discretion, Brasstech will establish the Minimum Advertised Price and communicate the Minimum Advertised Price to all Customers.

The “Advertised Price” shall be the price advertised to consumers net of all discounts, premiums, coupons or allowances offered for a Product. Direct or indirect attempts to circumvent this Policy also violate this Policy; however, it is not a violation to advertise that a customer may “call for price,” “text for price,” or “email for price” as long as no price is listed and no automated call, text message, or “bounce-back” email is used in response. Product promotions with a price lower than a Product’s applicable Minimum Advertised Price shall not be considered a violation of this Policy if they are advertised in conjunction with a Brasstech, Inc. promotional initiative. Brasstech, Inc. shall communicate any such promotional initiative in advance to all Customers.

Customers remain free to sell Products at any price they deem appropriate.

Notwithstanding the foregoing, pricing information displayed at the final online checkout stage of a transaction is not considered advertising under this Policy. The “final online checkout stage” is the stage when the Product is put into a shopping cart that contains the customer’s name, shipping address, email address, and payment information. Pricing information in the “shopping cart” or “checkout” stage must be obscured technically so that it is not retrievable by shopping and pricing engines, and not displayed on search page results within the reseller’s own website.

It will be considered a violation of this Policy for any Customer to sell any of the Products to any person or entity that advertises the Products at a price lower than the Minimum Advertised Price established by Brasstech, Inc.

Brasstech, Inc. has adopted this Policy unilaterally in furtherance of its independent business strategy. No Brasstech, Inc. employee or representative is authorized to modify, interpret, grant exceptions to, or change this Policy for any particular Customer; nor solicit or obtain the agreement of any person or entity to comply by this Policy; nor otherwise discuss any aspect of this Policy with any Customer, including that Customer's or any other Customer's compliance with the terms of this Policy. Any questions about this Policy should be submitted in writing and directed to Brasstech, Inc.'s MAP Policy Administrator at MAP@Brasstech.com. Brasstech, Inc. will accept no other form of communication from Customers regarding the Policy.

Each Customer is free to decide independently whether to follow this Policy. **This Policy does not constitute an agreement between Brasstech, Inc. and any other entity.**

Consequences for violation of this Policy are as follows:

1. First Violation: Written warning from Brasstech, Inc.
2. Second Violation (within 12 months of first violation): Written warning from Brasstech, Inc.
3. Third Violation (within 12 months of first violation): For 30 days, Brasstech, Inc. will stop selling all Products to the violator, and the violator will not be authorized to purchase Products from any distributor.
4. Fourth Violation (within 12 months of first violation): For 90 days, Brasstech, Inc. will stop selling all Products to the violator, and the violator will not be authorized to purchase Products from any distributor.
5. Fifth Violation (within 12 months of first violation): Brasstech, Inc. will terminate its business relationship with the violator and the violator will not be authorized to purchase Products from any distributor. Brasstech, Inc. will revoke its acceptance of any pending orders and cancel any pending shipments to the violator.

Brasstech, Inc. may amend or discontinue this Policy at any time and will notify Customers of such amendment or discontinuation. This Policy is in addition to and separate from all other Brasstech, Inc. policies. Thank you for your continued support of Brasstech, Inc. Products.