



## **MINIMUM ADVERTISED PRICE POLICY (Effective 1/1/21)**

This Policy is a unilateral statement of the requirements of Hayward Industries, Inc. (“Hayward”), regarding certain advertising practices as described below. Hayward has determined that certain advertising practices undermine Hayward’s trade reputation, brands, and premium image within the target consumer population and discourage Hayward’s resellers from investing in the Hayward product lines and providing the best possible service and support to consumers. Accordingly, to protect the integrity of the Hayward brand, Hayward has adopted this unilateral Minimum Advertised Price Policy (the “Policy”), which applies to all authorized resellers of Hayward Products in the United States of America.

This Policy is not a contract, nor an offer to form a contract. Hayward is not asking for, nor will it accept, any agreement about a reseller’s compliance with this Policy. Each reseller must independently choose whether to comply with the terms of this Policy. This Policy is not negotiable and will not be altered for any individual reseller. This Policy applies only to advertised prices and does not affect the prices that a reseller may charge for Hayward Products.

IF ANY RESELLER CHOOSES NOT TO COMPLY WITH THIS POLICY, HAYWARD RESERVES THE RIGHT, AT ITS SOLE AND ABSOLUTE DISCRETION, TO (I) PLACE RESELLER’S ACCOUNT ON SHIPPING HOLD; (II) REVOKE ITS ACCEPTANCE OF RESELLER’S PENDING ORDERS; (III) CANCEL ANY PENDING SHIPMENTS TO RESELLER; (IV) TERMINATE RESELLER FROM ANY PROMOTIONAL, REBATE, OR DISCOUNT PROGRAM; (V) REVOKE ANY AND ALL PAST, CURRENT, OR FUTURE PROMOTIONAL ALLOWANCES, REBATES, AND/OR DISCOUNTS TO BE PAID TO RESELLER; (VI) REVOKE RESELLER’S STATUS AS A HAYWARD AUTHORIZED RESELLER; AND/OR (VII) TERMINATE ITS BUSINESS RELATIONSHIP WITH RESELLER.

Although Hayward is not directing any reseller to require that its customers comply with this Policy, a violation of this Policy by any such third party will constitute a violation by the reseller.

This Policy will be enforced by Hayward in its sole discretion and without notice. Resellers have no right to enforce the Policy.

Hayward may update, revise, suspend, terminate, reinstitute, or modify this Policy at any time in its sole discretion.

### **Minimum Advertised Price (MAP)**

This Policy applies to the minimum advertised price (“MAP”) established solely by Hayward for all Hayward products (“Covered Product(s)”). The MAP for each Covered Product is set forth on Hayward’s website at the following link: [www.totallyhayward.com/map](http://www.totallyhayward.com/map) (“MAP Schedule”), and may be amended by Hayward in its sole discretion at any time.

There is no further information you need to know in order to comply with this Policy, should you choose to do so. However, if there is a question regarding this Policy, it must be directed in writing to MAP Policy c/o of Legal, Hayward Industries, Inc., 400 Connell Drive, Berkeley Heights, NJ 07922. Hayward will not respond to oral questions. No Hayward employee or agent, including a reseller’s sales representative, is authorized to modify, interpret, or grant exceptions to this Policy; solicit or obtain the agreement of any person to this Policy; or otherwise discuss any aspect of this Policy with any reseller, including that reseller’s or any other reseller’s compliance with the terms of this Policy. Do not advise Hayward about resellers that are violating this Policy. Hayward will make those determinations on its own.

This Policy is effective January 1, 2021 and supersedes all prior Hayward policies and/or representations regarding minimum advertised prices or resale prices for Hayward Products applicable to any reseller. To the extent that any provision, term, or agreement governing the relationship between Hayward and any

reseller may be construed in a manner that is inconsistent with the terms of this Policy, the terms of this Policy control.

This Policy applies to all activities of a reseller and/or any corporate name, d/b/a or assumed name and also applies to a brick and mortar reseller who operates (directly or indirectly) a website or other internet site under the same or a different name.

### **MAP Allowable and Prohibited Activities**

Hayward is solely responsible for establishing the minimum advertised price ("MAP") for each Covered Product and communicating the MAP to all resellers. While resellers remain free to advertise and sell all Covered Products at any price they deem appropriate, Hayward's policy is that any advertisement of a Covered Product must not be below the MAP established for that product, net of any discount, rebate or any other promotion.

For purposes of this Policy, the terms "advertise" and "advertisement" include all promotional or pricing information displayed via any type of media, including, but not limited to, newspapers, catalogs, magazines, flyers, brochures, television, radio ads, billboards, signage, websites, blogs, social media, affiliate marketing networks/comparison shopping engines, reseller-initiated text messages or emails to customers or prospective customers, mobile/smart phone applications, banner ads, online product ads, paid search ads, pay-per-click ads, display ads, mobile ads, product listing ads, sponsored links, ads in any other media in a digital format that is communicated or conveyed via the Internet, and any other marketing or promotional materials, whether displayed online or through broadcast or other media.

From time to time, Hayward may announce MAP holidays or promotions that are applicable to all resellers, during which periods a reseller that advertises a Covered Product in accordance with the terms of the authorized promotion will not be deemed to have violated this Policy. Hayward will notify all resellers of any such authorized promotions, generally not fewer than 30 days in advance.

Any advertised price information of Covered Products on an internet website which can be accessed directly through any hypertext link or by any method which uses the hypertext transfer protocol (http) is considered to be advertising for purposes of this Policy. 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 Covered 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" stages 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.

Examples of advertisements that violate the MAP Policy include, but are not limited to:

- i. Offering coupons, discounts, reseller rebates, or other inducements that, when applied, result in a price lower than the MAP, including through use of a storewide sale, promotional code, or other similar provision that can be applied to Covered Products.
- ii. Bundling Covered Products with other products or services (whether made by or provided by Hayward or another entity) in a manner that implies below-MAP pricing for the bundled Covered Products.
- iii. Strikeouts or strikethroughs of pricing information, "see price in cart," or other statements that suggest that a lower price for a Covered Product may be found at the final online checkout stage.
- iv. Permitting any third party to alter the advertised price for any Covered 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.

As a reminder, Expert Line products may not be advertised or sold online, regardless of whether there is a MAP set for such products.

### Examples of Advertisements in Violation of MAP Policy

*These are not intended to be comprehensive:*

1. Manufacturer Rebate (where applicable) on a Covered Product may be advertised, but cannot net the product price below the MAP. **Example:** Covered Product’s MAP is \$400 and reseller’s advertised price is \$400 with a \$100 Manufacturer rebate; this rebate has lowered the advertised price of the Covered Product below the MAP.
2. Advertisement of a Manufacturer Rebate without citing the advertised dollar amount of the rebate is a violation of the MAP Policy. **Example:** “Rebate offered with every purchase of a Covered Product”. **Exception:** If the advertisement states “Covered Product \$300 after rebate or \$400 before rebate” without citing the dollar value of the Manufacturer rebate.
3. All advertisements of prices for Covered Products mentioning a rebate are a violation of the MAP Policy if they do not state the before and after rebate price. **Example of a structure that would not violate the Policy:** Covered Product \$400 before rebate, \$300 after rebate.
4. Advertising the dollar amount of the Manufacturer’s Rebate, without advertising the price of Covered Product is a violation of the MAP Policy. **Example:** “\$100 rebate with the purchase of a Covered Product”.
5. Use of phrases in advertisements such as the “lowest prices”, “too low to publish”, “best offer” or “click for pricing” are violations of the MAP Policy.
6. Advertising the use of a discount card or program that lowers the advertised price of a Covered Product below the MAP (after Manufacturer Rebate) is a violation. **Example:** The offer of \$25 back for applying for a non-manufacturer affiliated credit and/or credit card.
7. For bundled product advertising, resellers may not advertise implied savings below MAP, whether or not the price of both products is listed. Among other things, this includes advertising a free gift at the point of sale or a discount of any product (Hayward or other products) to a customer who is buying a Covered Product advertised at its MAP. Any “gift with purchase” promotions must exclude Covered Products. **Example:** Free chlorine with the purchase of a Covered Product, or one price for bundle of products, including a Covered Product.
8. Any advertised use of “preferred” customer or other discount language, cards or programs that net Hayward’s product advertised price below the MAP (after Manufacturer Rebate) is a violation of the MAP Policy.
9. Any advertised program or promotion that is not a Hayward authorized promotion promising a free gift/product or price-reduced product that nets a Covered Product’s advertised price below the MAP (after Manufacturer Rebate) is a violation of the MAP Policy. **Example:** “We offer a \$100 rebate and a free gift valued at \$10 with the purchase of a Covered Product—your cost after rebate \$299. This is a violation of the MAP Policy as the \$10 free gift lowers the price below the MAP.
10. Any advertised program or promotion stating that a reseller will beat any competitor’s advertised price on a Covered Product is a violation of the MAP Policy.



11. Free Shipping is a violation of the MAP Policy if there is a dollar value mentioned that nets a Covered Product below the MAP.

12. Advertising a percentage off of a product or a group of products is a violation of the MAP Policy if the price of the product and the Manufacturer's Rebate is not mentioned. Stating a percentage off that will net the product below the MAP is a violation. **Example 1:** *Advertisement: 20% Off of All Cleaners – not a violation because the rebate and retail price is not mentioned in the ad.* **Example 2:** *Advertisement: (Price listed for cleaners in ad): Covered Cleaner Product with MAP of \$400 is advertised at \$400 with 0-20% Off All Cleaners also advertised – is a violation; the final price to the consumer is \$320 for the Covered Product.* Although the Manufacturer Rebate is not mentioned, the final price to the consumer nets the product below the MAP.

13. Advertising a percentage off of a product or group of products is permissible provided the product price and the Manufacturer Rebate is mentioned and the final cost to the consumer does not net the Covered Product below the MAP. **Example:** *Covered Product with a MAP of \$380 is advertised at \$600 with 20% off all cleaners plus \$100 mail-in manufacturer rebate: Final cost to the consumer is \$380; promotion does not net the price below the MAP (\$380).*

