

June 18, 2018

SUBJECT: INTERNET MINIMUM ADVERTISED PRICE POLICY (IMAPP) UPDATE

Dear InSinkErator Distributor:

InSinkErator is updating the IMAPP pricing associated with the policy that was launched in April 2017. The new and revised pricing, effective July 1, 2018, includes new product introduction and accessories. InSinkErator continues to believe that the growth and competitiveness of the garbage disposal and hot water dispenser business is dependent upon a number of factors, including the need for its products to be stocked, serviced and advertised at prices that represent fair value to consumers. We also believe that certain distributor advertising and promotional practices can be inconsistent with our distribution and marketing policies and undermine the image of the InSinkErator, evergrind and steamin' hot brands.

InSinkErator implemented an Internet Minimum Advertised Price Policy "IMAPP" in order to strengthen the competitiveness of our brands. As described more fully in the IMAPP itself, the IMAPP is a unilateral statement of InSinkErator's intent and is not an agreement or an offer to form an agreement with any distributor.

InSinkErator's IMAPP applies to all InSinkErator distributors who advertise or promote InSinkErator and evergrind food waste disposer brands and InSinkErator and steamin' hot brands of hot water dispensers on the internet, as well as those who distribute InSinkErator, evergrind and steamin' hot products to resellers who advertise or promote InSinkErator and evergrind food waste disposer brands and InSinkErator and steamin' hot brands of hot water dispensers on the internet.

Please see the attachment which details InSinkErator's Internet Minimum Advertised Price Policy, which is applicable to all InSinkErator distributors and replaces all prior policies. This policy helps to protect the reputation and ensure the long-term viability of the InSinkErator, evergrind and steamin' hot brands.

Please make sure that all appropriate people in your organization receive this policy. This policy is subject to change at any time by InSinkErator. For any questions regarding this policy please contact us at IMAPP.InSinkErator@Emerson.com.

Thank you for your continued support of InSinkErator products.

Best Regards,



Internet Minimum Advertised Price Policy

InSinkErator believes that the growth and competitiveness of the garbage disposal and hot water dispenser business is dependent upon a number of factors, including the need for its products to be stocked, serviced and advertised at prices that represent fair value to consumers. We also believe that certain distributor advertising and promotional practices can be inconsistent with our distribution and marketing policies and undermine the image of the InSinkErator, evergrind and steamin' hot brands. In order to further the competitiveness of our brands, InSinkErator has unilaterally adopted an Internet Minimum Advertised Price Policy ("IMAPP"). This IMAPP applies to food waste disposers and hot water dispensers, and other products as may be specified from time to time ("InSinkErator", InSinkErator "Pro Series", InSinkErator "Badger" series, "evergrind" and "steamin' hot"). InSinkErator unilaterally adopts this IMAPP effective April 1, 2017. This IMAPP applies only to internet advertised prices and is not intended to restrict or limit the price at which any InSinkErator products are sold or resold.

InSinkErator distributors may not advertise or otherwise promote InSinkErator, evergrind and steamin' hot Products on the internet in the U.S. at a price less than the "Internet Minimum Advertised Price." In addition, InSinkErator distributors who distribute InSinkErator, evergrind, and steamin' hot products to resellers who advertise or promote below the Internet Minimum Advertised Price will be in violation of this IMAPP. The Internet Minimum Advertised Price is a net price (i.e., inclusive of all discounts, premiums, coupons, and free goods advertised with the InSinkErator, InSinkErator Pro Series, evergrind and steamin' hot Products) as reflected on the Published List Price and IMAPP Price sheet shown below. This sheet may be modified periodically by InSinkErator, in its sole discretion. The advertised price shall not be distorted or partially obscured by any visual markings, but statements such as "call for price," "call for quote," "click for price" or "add to cart for price" are acceptable.

InSinkErator will monitor the internet for advertised prices below the IMAPP price and will notify distributors who advertise or otherwise promote InSinkErator products at less than the Internet Minimum Advertised Price (or distribute to resellers who do so) in writing about the importance of this IMAPP to the InSinkErator brand. If distributors continue to advertise or otherwise promote InSinkErator products at less than the Internet Minimum Advertised Price (or distribute to resellers who do so), InSinkErator will reject any and all purchase orders received from such distributors for a thirty (30) day period. InSinkErator will independently review the status of all distributors, including those to whom InSinkErator is not accepting purchase orders on a **weekly** basis and reserves the right to begin accepting orders from any distributors at its sole discretion after the conclusion of the thirty (30) day period. Each week that the distributor advertises or otherwise promote InSinkErator products at less than the Internet Minimum Advertised Price (or distributor to resellers who do so) will be considered a separate violation, and InSinkErator will reject purchase orders for a thirty (30) day period for each violation. Decisions made by InSinkErator as a result of its internal review process are those of InSinkErator alone and will be made independently, without reference or input from any InSinkErator distributor or reseller.

This IMAPP should in no way be considered an agreement between InSinkErator and its distributors or resellers, and each distributor or reseller remains free to determine for itself what price it will ultimately advertise or charge for InSinkErator Products. InSinkErator does not ask for, nor will it accept, any assurance of compliance or agreement regarding this IMAPP, nor will InSinkErator discuss any condition of acceptance related to this IMAPP.

InSinkErator is implementing this IMAPP unilaterally. We further ask that you do not advise us about distributors or resellers who are advertising or promoting InSinkErator products at prices below the Internet Minimum Advertised Price. InSinkErator will determine at its sole discretion, whether InSinkErator products are being advertised in compliance with this IMAPP and will unilaterally apply this IMAPP as we believe is warranted. This IMAPP does not apply to discontinued merchandise, used or refurbished merchandise, or close-outs as clearly identified by InSinkErator.

Our employees and sales representatives have been advised that this IMAPP speaks for itself and have been instructed not to discuss this Policy with our channel partners. We therefore ask that you do not discuss this IMAPP with our employees or sales representatives; any and all inquiries must be emailed to IMAPP.InSinkErator@Emerson.com.