

Grundfos Canada Internet Minimum Advertised Price Policy ("iMAP")

1. Introduction

Grundfos Canada Inc. continues to innovate and transform the way pumps are used in industrial, commercial, agricultural, groundwater and residential applications. By integrating advanced technologies into our pumps and pumping systems, Grundfos has made our pumps easier to use, more versatile, and easier to install with the most efficient pumps in the industry.

In doing so, Grundfos has provided customers more of what they need, enhanced its competitive positioning and developed a valuable brand and reputation in the marketplace. We recognize that our success is directly tied to the investments and efforts of our distribution network and selected partners. In particular, we know that many of our distribution partners invest significant time and resources to deliver an extraordinary customer experience. Grundfos has implemented this unilateral Internet Minimum Advertised Price ("iMAP") Policy to enhance and preserve its high-quality distribution network, brand reputation and customer service, which in turn support our ability to innovate and produce the highest quality products. This iMAP Policy is not a part of, and is not intended to replace or modify, any of the Terms & Conditions of Sale between Grundfos and any of its distribution partners.

2. Policy Statement

Grundfos has unilaterally determined that it will only do business with any distributor or reseller that adhere to the guidelines set forth within the Grundfos iMAP Policy and specifically does not directly or indirectly through one of its own transactional customers, advertise any product(s) covered by this iMAP Policy at a price lower than published in the iMAP Price Book. A Grundfos distributor or reseller is a company that transacts the purchase and payment of Grundfos products directly with Grundfos Canada Inc.. The distributor receives shipment directly from Grundfos, inventories the appropriate portfolio of products for the defined markets and resells the products, often providing supply logistics, credit and terms to the purchaser.

Grundfos will consider both the advertising of its distributors or resellers as well as any costumers of its distributors or resellers in enforcing this unilateral policy with respect to Grundfos' distributors or resellers.

3. General Guidelines

3.1 The products covered by this policy are listed in the Grundfos iMAP Price Book.

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Grundfos, at its sole discretion, may modify the products and prices covered by this iMAP Policy.

3.2 Grundfos recognizes that distributors and resellers are free to make their own decisions to advertise and sell any Grundfos product at any price they choose, without consulting or advising Grundfos. Similarly, Grundfos will exercise its right to make its own decisions regarding the Grundfos Market Plan program, distributor/reseller multiplier, supplemental marketing materials, point-of-sale displays, product allocation, new product availability, and/or future promotional, joint marketing, or sponsorship programs.

3.3 The iMAP Policy applies to advertised prices, not the price at which iMAP Products are actually sold or offered for sale to an individual in-store or over the telephone. Grundfos distributors and resellers have complete discretion to resell iMAP Products at prices of their own choosing.

4. Advertising Guidelines

4.1 The iMAP Policy applies to all Internet advertisements of iMAP Products, including but not limited to online flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, sponsored links, websites operated by, affiliated with and/or linked to the distributor's/reseller's website, social media sites, apps, or any other electronic media connected to the Internet.

4.2 Website features such as "click for price," "add to cart for price," "automated bounce back" pricing e-mails, pre-formatted e-mail responses, forms, and automatic price display for any items prior to being placed in a customer's shopping cart, and other similar features are considered to be communications initiated by the distributor/reseller (rather than by the customer) and thereby constitute "advertising" under this iMAP Policy. Furthermore, a visible strikeout, deletion, or alteration of any price in any Internet advertising violates this iMAP Policy.

4.3 Advertising that expressly or by implication advertises a price that is less than the iMAP Policy price (e.g., "price too low to show," "so low we can't advertise," "sale price," "instant rebates," and so forth) is deemed to violate this iMAP Policy.

4.4 It shall not be a violation of this iMAP Policy to advertise that a customer may "call for price" or "email for price," or to use similar language, specifically with respect to Grundfos Products, as long as a price is not listed.

4.5 This iMAP Policy also applies to any activity which Grundfos determines, in its sole discretion, is designed or intended to circumvent the intent of this iMAP Policy, such as solicitations for "group purchases" and the like.

4.6 From time to time, Grundfos may permit resellers to advertise iMAP Products at

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prices lower than the iMAP price. In such events, Grundfos reserves the right to modify or suspend the iMAP price with respect to the affected products for a specified period by providing advance notice to all distributors and resellers of such changes.

5. Specific Examples

- 5.1 Advertised prices that are implied to be below the iMAP Policy price are in violation of this policy. This includes, for example, advertising a discounted price for a bundle of two or more iMAP Products together; bundling a iMAP Product together with another product in a manner that implies a price for the iMAP Product below the iMAP Policy price; buy-one/get one free offers; or other discounts, rebates, or similar offerings that do not meet or appear in the sole judgment of Grundfos to meet the iMAP Policy price for each iMAP Product.
- 5.2 Advertisements of gift cards, coupons, points, or other incentives, which are contingent on the purchase of an iMAP Product, will violate this iMAP Policy when in the sole judgment of Grundfos they imply a price for an iMAP Product that is below the iMAP Policy price.

6. Policy Enforcement

- 6.1 If a distributor/reseller violates this iMAP Policy at any associated website or through other media connected to the Internet, then Grundfos will consider this to be a violation by the distributor/reseller.
- 6.2 Grundfos reserves the right to cancel any pending orders, restrict future orders, or suspend distributor/resellers' account if Grundfos, in its unilateral discretion, determines that a distributor/reseller has violated the provisions of this policy.
- 6.3 Grundfos' iMAP Policy Administrator is solely responsible for determining whether a violation of the iMAP Policy has occurred, as well as determining appropriate actions taken by Grundfos in response to any violation.
- 6.4 Waivers to this iMAP Policy may be granted in Grundfos' sole discretion by the iMAP Policy Administrator in writing. Grundfos sales, marketing, or other personnel are not authorized to modify or grant exceptions to the iMAP Policy.
- 6.5 Grundfos monitors the advertised prices of distributors/resellers either directly or via the use of third-party agencies or tools. Hindering, obstructing, delaying, or otherwise failing to cooperate with a Grundfos iMAP Policy investigation is a violation of this iMAP Policy.
- 6.6 Grundfos will enforce the iMAP Policy at its sole discretion and without advance

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notice. Distributors and resellers have no right to enforce the iMAP Policy. Violations of this policy may result in any of the aforementioned sanctions up to and including termination of the business relationship.

6.7 Violations of Grundfos' iMAP Policy will have the following consequences, based on the sole discretion of the plan Administrator:

- o First Violation - a written warning will be sent to the violating distributor/reseller for a first violation of the Grundfos iMAP Policy.
- o Second Violation - if a second violation of the Grundfos iMAP Policy occurs from the same distributor/reseller within 18 months of the first violation, any market plan, rebates, or other marketing programs provided by Grundfos to the distributor/reseller will be revoked. Furthermore, Grundfos will suspend shipments to the distributor/reseller of the product(s) in violation for a period of 30 days.
- o Third Violation - if a third violation of the Grundfos iMAP Policy occurs from the same distributor/reseller within 18 months of the first violation, Grundfos will suspend shipments of all products to the distributor/reseller for a period of 90 days.

7. What Else You Should Know About This Policy

7.1 This iMAP Policy is not applicable to a Distributor's/Reseller's actual selling prices. THIS iMAP POLICY DOES NOT AFFECT THE PRICE YOU MAY CHARGE YOUR CUSTOMERS FOR ANY GRUNDFOS PRODUCTS. YOU HAVE COMPLETE DISCRETION TO CHARGE YOUR CUSTOMERS WHATEVER PRICE YOU DEEM APPROPRIATE OR DESIRABLE.

7.2 This is not an agreement between Grundfos and you. This is a unilateral Grundfos policy and we do not seek nor will we accept your agreement, assurance of compliance or consent.

7.3 Grundfos reserves the right to suspend, modify or cancel this iMAP Policy in whole or in part unilaterally upon notice.

7.4 iMAP Policy pricing is established solely at Grundfos' discretion and may be changed from time to time.

7.5 Grundfos, at its sole discretion, shall make any determinations as to whether a price at which any iMAP Product is advertised violates this iMAP Policy.

7.6 Neither Grundfos nor any of its representatives other than its iMAP Policy Administrator will discuss any aspect of this iMAP Policy or violations with you. No Grundfos employee or representative is authorized to discuss any aspect of this iMAP Policy with you except for the iMAP Policy Administrator.