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FLUIDRA TRADE SERIES EXCLUSIVE POLICY FAQs

Answers to Frequently Asked Questions About Our Trade Series Exclusive Policy For All Pool Professionals (Dealers and Distributors)

What is TSE?

"Trade Series Exclusive". It is the acronym used to identify the products that are Trade Series Exclusive and not to be sold online.

What products are included under the TSE Policy?

The TSE Policy applies to (1) **ALL Jandy branded equipment** (2) select Polaris branded products, and (3) select Zodiac branded products. The full TSE product list can be found at <u>FluidraRewards.com/Legal</u> or you can contact your local Fluidra representative.

When will the new TSE Policy go into effect?

The TSE Policy, including its enforcement went into effect January 1, 2019.

What is considered a violation of the TSE Policy?

As stated in the TSE Policy:

- 1. "It shall constitute a violation of this TSE Policy for any Customer to sell TSE products anywhere on the Internet (including eBay or other auction sites). It shall likewise constitute a violation of this TSE Policy for any Customer to sell TSE products to any reseller that sells pool products primarily via the Internet."
- 2. As stated in Acceptable Jandy-branded TSE Advertising Examples. "Jandy TSE products should NOT include a retail price. "Available In-Store Only" or "Available In-Person Only" must be included."

What is the definition of a Customer?

"Customer" means independent trade dealers and distributors and their respective affiliates, subsidiaries, and related companies, as defined in our TSE Policy.

What will be the penalty to customers for violating the TSE Policy?

Among the consequences for violating the TSE Policy are <u>refusal to sell TSE products</u> and <u>withholding of</u> <u>earned loyalty or rebate incentives</u>.

All Jandy equipment is now included under the TSE Policy. What is "equipment"?

For the purpose of the TSE Policy, we define "equipment" as those products that are more technical in nature that offer a unique and specific function related to water movement, filtration, heating, sanitation or lighting of a pool or spa as well as control and performance of the system as a whole. They are generally listed as our Finished Good items. You can find the complete list of Jandy equipment included under the new TSE Policy at Fluidrarewards.com.

What has changed in the new Jandy Limited Warranty?

We will not provide a Manufacturer's Warranty on Jandy equipment purchased online through any internet retailer. Below is an excerpt from our new Jandy Limited Warranty. For full details, please reference the complete limited warranty.

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"This Jandy Limited Warranty does not apply to Jandy branded product purchased through the

Internet or other e-commerce platforms, with the exception of Jandy branded valves, parts, and accessories."

What about Valves, Parts, and Accessories?

The new TSE Policy that includes all Jandy equipment is a major first step and priority for us to establish new policies and enforcement. Currently, certain valves, parts and accessories will continue to be sold in the same manner as they have been previously.

Why are you taking this action?

We firmly believe that our new TSE Policy will help support the long-term viability of our industry. We believe that only qualified pool professionals have the expertise and training necessary to prescribe, install and maintain the highly technical products common to any pool to facilitate a reliable and enjoyable swimming experience for consumers. We are putting our commitment to the pool professional into action by providing a preferred brand of innovative and exclusive products.

How will you enforce your new TSE policy?

We are increasing our resources and investments to have a dedicated team to proactively monitor the internet for TSE products being sold online **24 hours a day, 7 days a week**. We have also set up a dedicated enforcement hotline at 760-444-4763 and email address at <u>enforcement@Fluidra.com</u> so pool professionals can report violations directly to our enforcement team.

If a dealer buys it online, then sells it to a consumer, is it a violation?

Yes. It is a violation of the TSE Policy for any TSE product to be sold online, regardless of who purchases it.

How does a consumer know if a product is TSE or not?

We will direct consumers interested in purchasing our products to our Dealer Locator. Visit Jandy.com to see an example of how we're helping consumers locate a qualified pool professional in their area. Consumers can also call our customer service team at 760-599-9600. In the future, we intend to introduce more detail on our website's product pages so consumers can readily identify if a specific Jandy branded product is TSE.

How are you notifying consumers about your new TSE stance on Jandy equipment?

We are proactively promoting a new Internet Policy on Jandy.com, which states:

"While we recognize that the Internet is a great source of information, we do not permit the sale of Jandy equipment online. A pool is a substantial investment and the equipment that runs it is highly engineered, requiring electrical, gas and hydraulic expertise. <u>Only a qualified pool professional has</u> <u>the training to prescribe, install and maintain pool equipment, facilitating a reliable and enjoyable</u> <u>swimming experience.</u> That's why Jandy pool equipment is sold exclusively through a nationwide network of qualified pool professionals with the expertise and ability to help pool owners make the best equipment decisions for their individual pool needs. <u>Therefore, we do not provide a</u> <u>Manufacturer's Warranty on Jandy equipment purchased online through any internet retailer.</u>"

In addition, we are promoting the reasons why consumers should rely on pool professionals for their equipment purchase, installation and/or service needs, and we are directing them to our Dealer Locator to find a qualified professional in their area.

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Will the list of TSE products change?

We will continue to add products to our TSE offering. As we do, we will update the list and notify our customers accordingly. The TSE product list is subject to change.

Do you plan to prohibit all Polaris and Zodiac branded automatic pool cleaners from being sold online, similar to what you're doing with Jandy equipment?

Given the DIY nature of most cleaners, we are taking a balanced approach allowing some of our older cleaner models to continue to be available online. However, we have also grown our TSE cleaner range to support brick-and-mortar. Currently, 13 of our most innovative and popular pool cleaners are reserved for the trade and are covered under our TSE Policy. We plan to expand that TSE offering in the future with innovative and popular products. Our TSE offering in APC consists of products that include exclusive features, extended warranties, and/or bonus accessories that are not available for online resale.

What is your timeline to have all TSE products no longer for sale online?

We are resourced and have aggressively been enforcing our policy since the January 1, 2019 start date. Since that time, we have been resolving systemic issues with internet resellers in violation of our policy. This will be an "always on" initiative, and we will continually monitor the online marketplace for violations to help ensure that as soon as a violation pops up, we are able to address it in short order. You can report violations of the TSE Policy by calling our dedicated hotline at 760-444-4763 and emailing us at <u>enforcement@Fluidra.com</u>.

What if I don't have access to www.Fluidrarewards.com?

Try one of the following options: (1) Contact your local Fluidra representative; (2) Contact our customer service team at 760-599-9600 or (3) Sign up to be a Fluidra Rewards member by going to <u>FluidraRewards.com</u> and click "Sign Up" at the top of the page to get started.



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