



EXTERNAL MEMORANDUM

To: ALL Valued Customers

From: Jon Sandomirsky EVP Marketing

Date: November 20th, 2019

Subject: REVISED INTERNET MARKETING POLICY

SUMMARY OF REVISIONS

This memorandum is to communicate the details of our revised **Internet Marketing Policy**. The last policy was issued July 2016. The update relates to a change in the use of the PURA® as a 'house brand' for e-commerce. Since 2016, there has been industry growth in E-Commerce, almost exclusively done under private brands. Due to the low volume, we will no longer offer the 'house branded' PURA® product offering. Customers interested in selling Canature WaterGroup products on-line may still do so under their own brands and in accordance with our policy described below. As well, the document has been simplified into a chart format.

INTERNET MARKETING POLICY

The purpose of the internet policy is to control the use of Canature WaterGroup brand names, model descriptions, and item numbers as published on-line by our customers in conjunction with published pricing.

Brands **not allowed** to be published on the internet by our customers in conjunction with published pricing include: **Hydrotech®**, **Aqua Flo®**, **Novo™**, **Pura**, **WaterGroup®**, **Canature™**, **Canature WaterGroup™** and **Aquafine®**. Model names, Series Names &/or descriptions (i.e. 565/1240, BIF/HTO) and item numbers associated with Protected Brands **cannot** be used on the internet in conjunction with published pricing.

The sale of **Aqua Flo®**, **Hydrotech®** and **Pura® replacement consumables** (RO membranes, filter cartridges, UV bulbs, etc.) for assembled drinking water systems (UV, RO) and **Aqua Flo® POU Filtration** products **are the only exception** to the above policy providing that all published pricing meets Internet Minimum Approved Pricing (IMAP) guidelines. IMAP pricing on consumables and POU Filtration products require a minimum 40% gross margin on Canature WaterGroup Standard Net selling prices.

Private Label options on select products are available for customers wanting to sell on-line with published pricing. Please contact your Regional Sales Manager to find an e-commerce solution for your business.

Canadian Head Office:
855 Park Street, Unit 1
Regina, SK S4N 6M1

US Head Office:
9760 Mayflower Park Drive
Suite 110, Carmel, IN 46032

Toll Free: 1-877-288-9888
Website: canaturewg.com

	E-Comm Prohibited	E-Comm Approved
Brands	Hydrotech®, Aqua Flo®, Novo™, PURA®, WaterGroup®, Canature™, Canature WaterGroup™ and Aquafine®.	Private Branding. Aqua Flo® POU Filtration products and Aqua Flo® and Pura® replacement consumables (RO membranes, filter cartridges, UV bulbs, etc.) must follow Internet Minimum Approved Pricing (IMAP) guidelines of a minimum 40% gross margin on dealer net.
Assembled Systems (Softeners and Filters)	Econo Flo, 765, 565, 485HE 785HE Control Valves Black square and round grey brine tanks	165, 89
Tank Mate™ Dual Tank Systems	Yes	No
Commercial Products	Yes	No
Reverse Osmosis Systems	Aqua Flo® and Hydrotech®1240 Series, QCRO, 475 Series, H.E.R.O.™	Economy systems* (private or non-branded)
Aqua Flo® Ultraviolet Systems	Aqua Flo® Gen Series (Stainless) Aqua Flo® and PURA® branded Combination Plastic Sump Rack Systems	Combination Plastic Sump Rack Systems* (private or non-branded)
Aqua Flo® , PURA® and Hydrotech®POU Filtration & Replacement Consumables (membranes, filters, UV bulbs, etc.)	No – Must meet IMAP pricing policy	Yes – Must meet IMAP pricing policy
Components (Control valves, FRP tanks, brine tanks)	Yes	No

*The physical systems are generic and do not bear any branding (labels, manuals).