

**AUTHORIZED DEALER
DIRECT PURCHASING PROGRAM
2021**

1. New Accounts

For new Icera Dealers, an **opening stock order of at least \$6,000 net is required**. Authorization will be subject to credit review and management's discretion. Dealers are required to commit to the minimum display requirements (See [Appendix A](#)), adhere to Icera's MAP and UMRP pricing policies (See [Appendix B](#)) and to maintain a minimum purchase total of \$6,000 net per calendar quarter (\$24,000 per year).

2. Discount Programs

Icera offers two different pricing programs for our direct buy dealers. A dealer may choose either based on their specific business model. Please note that the Volume-Based Fixed Discount program is only available to existing dealers with 6 months of purchase history.

A. Order-Based Discount Program.

Dealers are entitled to wholesale discounts on purchases, according to each order's net value (for delivery to a single location) as given below. Dealers may combine orders of Icera and St. Thomas products towards achieving the best available discount level, as given below.

\$0 to \$3000 net order .450x (55% off)
\$3,000+ net order .380x (62% off)
\$6,000+ net order .340x (66% off)

Fill-In Orders. If the need arises for a small quantity of items in between larger product stock orders, three (3) "fill-in" orders are allowed – which will be discounted at the same rate as the preceding stock order. After the 3 "fill-in" orders are used, the applicable discount for subsequent orders will be subject to the requirements given above. Please note "fill-ins" may not be accumulated.

B. Volume-Based Fixed Discount Program.

Dealers open with at least 6 months' purchasing activity may choose this program to maintain a consistent cost multiplier based on yearly net purchases.

\$12,000 to \$20,000 net yearly: .450x (55% off)
\$20,001 to \$40,000 net yearly: .400x (60% off)
\$40,001 to \$60,000 net yearly: .380x (62% off)
\$60,000 to \$80,000 net yearly: .360x (64% off)
\$80,001+ net yearly: .340x (66% off)

A dealer may only switch between the Order-Based Discount Program and the Volume-Based Fixed Discount Program once per calendar year, with a 2-week written notice to Icera. Any orders in process will be priced per the program at the time the order was received. A dealer may not vacillate between the two programs within a calendar year.

Discounts and terms are subject to change at Icera's discretion. All shipments will be made at prices prevailing at time of order. Any special terms / quotes must be approved by Icera in advance in writing.

3. Freight Charges

Free freight allowed ("FFA") on net orders of **\$2,500 or more** for delivery to a single address within the continental U.S. (contiguous 48 states). For net orders less than \$2,500 shipped via LTL, a freight charge of **\$225 per order** will be applied.

Lesser freight charges for small parcel items (e.g., via UPS / FedEx) will be applicable, as noted below:

- Products <30 lbs: \$45 per unit
- Toilet Seats, Tank Lids: \$10 per unit, plus \$15 packaging & handling per order
- Parts & Accessories: \$1 per unit, plus \$15 packaging & handling per order

Special LTL deliveries. In addition to the freight costs above, the following surcharges will apply for LTL shipments requiring these special service(s):

- Truck lift-gate required: \$95
- Re-delivery required: At cost, if due to customer error

Direct drop-shipping of orders to residential addresses will not be allowed, except in the case of service/replacement parts, and project (job) orders that are approved in advance, in writing.

Icera reserves the right to select the method of shipment at its discretion. If a customer's facility will not receive shipments on any business day (M-F, excluding national holidays) during business hours (9am-5pm local time), advance notice is required. If notice is not given, the Customer will be subject to re-delivery fees as incurred. Requests for express freight and/or shipments outside the Continental U.S. are subject to advance approval and freight surcharges.

4. Order Additions/Cancellations

Items may be added to existing orders up to 1 business day after confirmation. Thereafter, any additional items may need to be ordered under a separate PO (subject to order size / FFA requirements).

Orders may be cancelled within 1 business day after PO confirmation at no charge. Orders for palletized freight (LTL) cancelled beyond 1 business day after confirmation, for which the shipment has been assembled in whole or part, will be assessed a **\$20 per pallet re-stocking fee**.

Orders which have shipped may **not** be cancelled. Shipped goods may only be returned with written authorization from Icera, and are subject to re-stocking fees (as described below).

5. RGA Process for Defects / Damage

Upon notification by the Dealer via e-mail, Icera will process RGA credits or replacement merchandise requests for products that have defects in manufacture, show visible damage on delivery (and are so noted on the BOL bill of lading), or are discovered to have concealed damage within a certain time frame after delivery. Refer to Appendix D for important details.

6. Payment Terms

Invoices are to be paid within thirty (30) days from the date of invoice. A service charge of 1.5% per month (annual percentage rate of 18.0%) will be assessed on all invoices outstanding over sixty (60) days. **Icera reserves the right to grant or suspend credit terms at any time.** Dealer is responsible for all costs of collection.

* * *

By signing below, we hereby acknowledge and agree to the terms of this Direct Buy Dealer Program, and of Appendices A through E attached hereto.

Signature: _____

Name: _____

Company: _____

Date: _____

Appendix A
DISPLAY PROGRAM &
REQUIREMENTS

1. **Display Requirement.** This display program is available to all Dealers. All Dealers are required to maintain a minimum showroom display of Icera branded products (the "Products") as follows:

- Showroom will have at least **4** of the Products on display, including at least **2** toilets.
- If Dealer has multiple showroom locations, such minimum Product display will be maintained in all showrooms.

Please note that those dealers who do not maintain the minimum display requirements listed above may be subject to the closure of their direct account with Icera.

2. **Display Subsidies.** To facilitate the setup of new Dealers, Icera is pleased to assist with the provision of discounted or no-charge display units:

- **Free working display.** Working display units (i.e., installed in the showroom bathroom) will be provided at no charge – provided they remain installed for a period of at least one (1) year. Limit of two (2) free working displays per showroom location.
- **Free displays with first stock order.** 4 free display units available with the first stock order. These free units are to remain on display in the showroom (and not re-sold) for at least one (1) year.
- **Additional displays.** For additional display units, a discount multiplier of 0.25x will be applied.

In addition, Icera is pleased to offer point-of-sale resources (such as video display pods, retail handout brochures, etc.) at no charge. Please contact your sales representative for further details.

Verification will be requested (e.g., photographs) that no-charge / subsidized display units are indeed placed, and remain, on display. Such units not displayed as intended will be considered sold, invoiced at the last stock order's regular rate, and immediately due.

APPENDIX B
UNILATERAL MINIMUM RETAIL PRICE ("UMRP") POLICY
MINIMUM ADVERTISED PRICE ("MAP") POLICY

Icera has established this Minimum Advertised Price ("MAP") Policy and Unilateral Minimum Retail Price ("UMRP") Policy upon sales of Icera and St. Thomas branded products (the "Products") destined for the retail market. *Please note:* the standard products listed on Appendix D attached are **excluded** from (and not subject to) the MAP and UMRP minimum pricing policies described herein.

1. Minimum Advertised Price ("MAP"). Dealers and Distributors may **not** advertise in print media the Products to the retail market at a discount of more than thirty-five percent (35%) off the effective List Prices established by Icera. This shall apply to the following forms of media, including without limitation:

- Print advertisements (catalogs, inserts, newspapers, flyers, etc.)
- Direct mailers (regular mail, e-mail and faxes)

2. Internet Minimum Advertised Price ("iMAP"). Dealers and Distributors **may not advertise nor sell** Decorative Products to the retail market via the Internet at a discount of more than thirty percent (30%) off the effective List Prices established by Icera. This shall apply to the following forms of Internet content, including without limitation:

- E-commerce, websites, banner ads, marketplaces, mobile apps
- Social media (Facebook, Twitter, blogs, etc.)

3. Unilateral Minimum Retail Price ("UMRP") – Scope. The UMRP applies to all sales of Icera-branded products destined for the retail market in the United States and Canada. The definition of "retail market" herein applies to all residential consumer sales, including to trade professionals engaged by consumers.

Sales for commercial, hospitality or multi-unit residential projects are exempted from the UMRP when a written specially-priced job quote is provided by Icera. However, sales of returned products are permitted (provided they are in new condition, with no defects or damage, and clearly labeled as "Open Box" or "Returned") to be exempt from the UMRP.

Note: for distribution sales to Dealers, please refer to Appendix C hereto.

4. UMRP – In Store. Authorized Dealers and Distributors may **not** sell the Decorative Products to the retail market at a discount of more than forty percent (40%) off the effective List Prices. We further recommend that showrooms limit the discount to retail consumers to 35% off List Price, and "save" the remaining 5% discount for trade professionals. This includes in-store price tags and shelf labels. Such minimum retail pricing shall be effective *before* the addition of any applicable sales taxes.

Finally, sales of returned products are permitted (provided they are in new condition, with no defects or damage, and clearly labeled as "Open Box" or "Returned") are exempted from the UMRP.

5. **Enforcement.** These Policies are non-negotiable and will not be altered for any dealer or distributor. If Icera in its sole discretion determines that a dealer's showroom or website has violated the UMRP or MAP policy, Icera will pursue enforcement actions:

- 1st violation: Written warning.
- 2nd violation: Warning, and price increase of 5% on all direct purchases for that showroom location for 1 month.
- 3rd violation: Warning, and price increase of 15% on all direct purchases going to the showroom location for 3 months.
- 4th violation: Termination of business relationship with that showroom location (or website) for the remainder of the calendar year (or beyond, at Icera's sole discretion). During the termination period, the showroom location (or website) will not be allowed to display the Icera brand, imagery (or any of our other intellectual property), nor to sell any of our branded products.

6. **Verification.** Icera reserves the right to audit individual transactions for compliance under these Policies. Additionally, Icera (or an independent 3rd-party authorized to act on Icera's behalf) may review advertisements and websites and may shop retail and Internet stores to determine whether a dealer's pricing conforms to these Policies. Interpretation and enforcement shall be made exclusively by Icera in its sole discretion.

APPENDIX C
PRODUCTS EXCLUDED FROM MAP / UMRP
MINIMUM PRICING

The following products are excluded from (and not subject to) the MAP and UMRP minimum pricing policies described herein:

- **Palermo** product suite (toilets & lavs)
 - C-2250 EL Bowl
 - T-2250 Tank
 - C-2251 Tank
 - C-2260 EL Bowl
 - 5035.082, 5035.331 Pedestal Lav
- **Malibu** product suite (toilets & lavs)
 - 6325.128 CEL Bowl
 - 6325.110 CEL Bowl
 - 6325.028 Tank
 - 6250.128 Toilet 1PC CEL
 - L-2450 Oval UM Lav
 - L-2460 Oval UM Lav
 - L-2470 Oval UM Lav
- **Riose** 1PC toilet
 - C-6200 Toilet 1PC EL
- **Huntington** 2PC toilet
 - C-2260 EL Bowl
 - T-2260 Tank
- **Vanity** oval undermount lavs
 - L-290 Oval UM Lav
 - L-280 Oval UM Lav
 - L-270 Oval UM Lav
- **Muse** rectangular undermount lav
 - L-2410.01 Rectangular UM Lav, White*
- **Karo** rectangular undermount lav
 - L-2432.01 Rectangular UM Lav, White*

* Included in Net Price Program in White only

APPENDIX D
RETURN GOODS AUTHORIZATION (RGA)
(VISIBLE DAMAGE, SHORTAGE, CONCEALED DAMAGE, DEFECTS, CONSUMER RETURNS,
WARRANTY CLAIMS and CANCELLATIONS)

1. **Visible Freight Damage on Receipt.** If product damage is visible at the time of delivery and is noted on the carrier's BOL paperwork, Icera will cover this damage replacing or crediting the items at your option. To file a claim for visible damage, send an email to service@icerausa.com to include ALL of the following:

- i. Original purchase order number.
- ii. Bill of Lading (BOL) with notes describing ALL damaged product and the driver's signature.
- iii. Pictures of damaged product

Some extremely helpful notes to ensure you get credit for visibly damaged product:

- a. **Damage MUST be explicitly noted on the carrier's Bill of Lading (BOL).** EACH damaged item must be listed.
- b. **The carrier's driver MUST be present** while the damage is documented.
- c. **The BOL MUST have the driver's signature** on the *notated* copy.
- d. **DO NOT write "Subject to Inspection" on the BOL.** This is NOT acceptable notation – no carrier will accept this as a damage claim, as their driver will not be present during the inspection. **We will NOT be able to issue credit with this notation on the BOL.**
- e. **DO NOT refuse a damaged shipment.** This will delay replacement by weeks, as we must then wait for the carrier to return the items before we can re-send a new shipment. Receive the shipment, while noting which items are damaged.

Please note that the steps here **must be followed** to receive credit for Visible Damage. These are industry-wide freight practices that apply to all shippers and are not specific to Icera.

2. **Shortage.** Claims for shortages must be made within 5 days from the receipt of merchandise and must be noted on the bill of lading. The notice of shortage must be submitted to Icera via email for research. If it is determined by Icera that a shortage has occurred, we will ship the shorted items or issue a credit for those items at the customer's option.

3. **Concealed Damage.** If product damage is discovered after delivery is made and the carrier has departed, this is concealed damage. This may occur at your warehouse or at a consumer's home after a delivery is made by you. To file a claim for concealed damage, send an e-mail to service@icerausa.com **within 15 days of receipt** of the product that includes:

- a. Original purchase order number.
- b. Pictures of the damaged item and its original box including the label affixed to the box.

Icera will **not** issue credit or replace damaged product that has been shipped to a consumer as fulfillment of an E-commerce transaction (i.e. Internet sales).

After review to determine that the product was not abused or damaged by negligence, Icera will issue a credit or replacement at your option. Please note again that all concealed damage claims must be made within 15 days of receipt.

4. Defects. If a product is discovered to have a manufacturing defect (warped, finish blemish, color variance among component parts, etc.) send an email to service@icera.com to file a defect claim with the following information:

- a. Original PO number
- b. Clear and detailed pictures showing the defect accompanied by a picture of the item # and factory date stamp on the underside/inside of the product. (Note: a level will need to be seen in pictures for claims of out-of-square product, showing the product level AND floor level readings.)

After review confirming the defect, Icera will issue a credit or replacement at your option.

5. Consumer Returns. Requests to return mis-ordered or cancelled items may be submitted via email to service@icerausa.com that includes your original purchase order number. An approved RGA number must be provided before the items can be returned. Items held longer than 30 days after date of shipment may be denied return, at our discretion. Discontinued items will not be eligible for return. Items must be returned in original packaging with all parts included and in sellable condition. The dealer will be responsible for return freight and a 35% re-stocking fee. Items that arrive at our warehouse damaged will not qualify for credit.

6. Mis-shipment by Icera. Items that are sent incorrectly by Icera will be processed for return at our cost. Send an RGA request via email to service@icerausa.com that includes the original purchase order number and pictures of the label(s) affixed to each box of the product shipped in error. Once the RGA email is received, reviewed and approved, the correct items will be shipped and the incorrect items will be picked up and returned at no cost to you.

7. Known Issue with a Bad Batch. If Icera determines that a manufacturer's defect has occurred across an entire production batch of items, we will credit or replace all the affected item(s) without cost to you, upon confirmation. We will request an inventory count from you to verify the number of items to be returned or field destroyed for credit or replacement at your option. All refunds will be in the form of a credit memo to be used against future purchases.

8. Consumer Warranty Claims. We offer a limited Warranty against manufacturing defects on all Icera and St. Thomas Creations branded products. The duration of the warranty does vary by product category. Please refer to the Icera Price Book, or online at www.icerausa.com/warranty.php for published details.