



Date: January 9, 2020

Re: Supplier Processing Fee for Quality Issues

To: Our Valued Suppliers:

Watts Water Technologies, Inc. and its divisions have recently completed a review of the actions required throughout our organization to address issues related to the return of non-conforming and defective goods from our suppliers and the costs associated with these actions. As a result of this review, effective March 1st, 2020, we will assess an additional processing charge of \$500.00 US Dollars each time we initiate a Product Quality Issue request with you.

We consider your continued supply of products to us and acceptance of payment from us after this date as constituting acceptance of the process change stated above.

Thank you for your continued commitment to supply us with high valued Quality products.

Sincerely,

The Watts Team