



FOODSERVICE EQUIPMENT

Hatco Corporation
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www.hatcocorp.

com

January 1, 2022

Attn: All Hatco Authorized Dealers

URGENT – HATCO 2022 updated **MINIMUM RESALE PRICE POLICY**

Effective January 1st, 2022, Hatco wishes to advise you of the continuation of our Minimum Resale Price Policy. Currently, the states of California and Maryland are the only two states in the country whose courts treat minimum resale prices differently under state antitrust law than they are treated under federal antitrust law as interpreted by the U.S. Supreme Court in the 2007 Leegin decision.

The important things you need to know are:

- Hatco maintains a minimum resale price program to protect the quality and reputation of the Hatco Brand and to ensure our operator customers receive the service, quality and choices they need and deserve.
- This policy prohibits any authorized Hatco dealer from selling Hatco products to any U.S. customer at a price point that is less than 45% off published list prices, with the following exception. **This policy does not in any way restrict the price at which any dealer may sell to customers located in Maryland and or California.**
- This policy is not a “MAP” program and is not limited to just advertised pricing. The policy establishes the minimum price you can charge a customer, not just the prices advertised on the internet or anywhere else.
- There are potential penalties for any authorized Hatco dealer that violates this policy. (See policy details attached.)
- This policy is non negotiable.
- This policy does not negate any existing price agreements you may currently have with Hatco.
- The formal policy is stated on the following page.

We sincerely wish to improve the business environment for all our customers and trading partners. For that reason, we promise to listen and respond to any and all comments and or questions. Feel free to contact your local Hatco Representative or to call any member of the Hatco sales team at 800-558-0607.

Thank you for your continued business and support.

Nothing less than the best.™



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Hatco Corporation's Minimum Resale Price Policy

Effective January 1st, 2022

HATCO MINIMUM RESALE PRICE POLICY

Hatco competes vigorously in the marketplace with other manufacturers of similar products. As reflected in Hatco's trademarked slogan "nothing less than the best" and in the awards Hatco has received for its products, the company's competitive strategy has focused on supplying high-quality products to the food service industry. Successful marketing of such products requires dealers with the incentive and the wherewithal to educate and support end-use customers. For that reason, subject to the exception below, Hatco requires that its dealers not sell Hatco products at effective prices less than 45% off of current Published List Prices. (The "effective price" of a product reflects the impact of all discounts, coupons, the fair market value of free merchandise or similar advantages offered by a dealer which have the effect of reducing the price actually paid by the customer for Hatco products.) Any dealers selling Hatco products below this price level will be subject to penalties up to and including disqualification of eligible sales from all applicable incentives for the full calendar year in question and or removal from Hatco's active customer list. However, this policy does not in any way restrict the price at which any dealer may sell to customers located in California or Maryland.