

DEALER NEWS

June 3, 2024

Counterfeit FreshWater® Salt Cartridges

In recent months, there has been an uptick in unauthorized resellers (primarily China-based) selling counterfeit FreshWater Salt Cartridges online. These counterfeit products fail to meet performance standards and can pose serious safety risks to users and jeopardize the operation of their hot tub. Additionally, they have led to a multitude of negative online reviews from unsuspecting consumers who have purchased counterfeit FreshWater Salt Cartridges.

Watkins is committed to safeguarding and upholding the reputation of our products and brands and is taking broad steps to enforce against unauthorized sellers, both domestic and foreign, operating on marketplaces like Amazon, as well as through direct websites. Watkins is also committed to protecting your business and mitigating losses in online revenues that may be directly attributed to unauthorized resellers.

In addition to optimizing and removing unauthorized sellers from the Amazon marketplace, Watkins will be taking the following actions in the coming weeks:

- Website updates to include a warning article for consumers with disclaimers added to the
 FreshWater Salt web pages on Hotspring.com to encourage shoppers to purchase
 replacement cartridges through their local dealer to ensure the authenticity of the cartridges.
- Social media posts on branded properties (Facebook, Instagram, etc.) advising consumers to only purchase from authorized retailers.

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Email communication sent to owners of FreshWater Salt-enabled hot tubs. Communication will
also be added to our Owner Drip Email campaign for future owners.

What can you do?

- Set up a water care subscription service on your e-commerce-enabled website(s). If your customers never run out of cartridges and other water care products, they'll be far less likely to turn to Amazon and other online marketplaces for convenience.
- Send an email blast to your salt water hot tub customers to convey the reasons why they
 should buy their replacement cartridges (and other water care) from you emphasizing the
 risk of purchasing counterfeit products. You can reference the messaging used in our owner
 email communication here.

Please alert us at <u>internetposition.statement@watkinsmfg.com</u> if you discover an unauthorized seller, a MAP violation, or any other perceived illegitimate use of our brands, trademarks, or products on the Amazon Marketplace or other online outlets. We greatly appreciate your diligence in reporting unauthorized sellers to our Brand Protection Team and your patience as we work to ensure and maintain the authenticity of our products sold online.

For any questions or concerns, please reach out to your Regional Sales Manager or the Brand Protection Team at internetposition.statement@watkinsmfg.com

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