



Kryptonite® Authorized Retailer Program

Program Effective Date:

January 1, 2018 – until discontinued or suspended

A Kryptonite Authorized Retailer is one that purchases Kryptonite branded products directly from Kryptonite and resells such products to end users/consumers buying for personal use.

Introduction

This Authorized Retailer Program is issued by Schlage Lock Company, LLC, through its Kryptonite Division (“Kryptonite”). This Program applies to Authorized Retailers of Kryptonite branded products (“Products”) in the United States of America. By purchasing Products from Kryptonite for retail sale, you agree to adhere to the following terms. Please read this Retailer Program carefully. Until such status is otherwise revoked by Kryptonite, Retailer shall be considered an “Authorized Retailer” hereunder.

In this document you will find information related to our various Program terms, conditions and benefits. Upon your review, please pay particular attention to the following policies and guidelines:

- Minimum Advertised Pricing Policy
- Online Sales Policy
- Trademark Usage Guidelines
- Warranty Policy

Kryptonite believes that continued success depends on a strong authorized retailer network and programs that allow for mutual growth. Having a selective authorized retailer network is important for this success and growth. Becoming an Authorized Retailer requires acknowledgement and adherence to the Program terms and conditions. It is Kryptonite’s policy to not allow sales to any Authorized Retailer who adopts resale practices that adversely affect our sales and ability to compete. Just as it is the right of any Authorized Retailer to adopt its own sales practices or to cease selling Kryptonite products at any time with or without cause, Kryptonite reserves the right to cease sales, directly or indirectly, to any Authorized Retailer at any time with or without cause.

Term

This Program is effective beginning on January 1, 2018 and will continue until discontinued or suspended by Kryptonite, in its sole discretion.

Appointment

Kryptonite appoints you as an Authorized Retailer and you accept such appointment as an independent retailer to market and sell Kryptonite offered products, subject to the terms and conditions of this Policy. This appointment does not grant you the right to act as agent or representative of Kryptonite, nor does it grant Kryptonite the right to act as agent or representative of you.

Such appointment is non-exclusive, meaning Kryptonite reserves the right to appoint other authorized retailers at any time to serve any locations. Such appointment does not imply that you will have access to purchase the full line of Kryptonite offered products. Availability will depend on various factors determined by Kryptonite.

As an Authorized Retailer, you are authorized to sell to end users/consumers buying for personal use.

Additionally, as an Authorized Retailer you agree to the following:

- Maintain sufficient inventory to adequately support end user/consumer needs
- Conduct your business in a reasonable and ethical manner at all times and not engage in any deceptive, misleading, or unethical practices or advertising at any time
- Provide a high-level of customer service and respond promptly to customer inquiries both before and after sale of Kryptonite products

including, but not limited to, handling end user/consumer returns in an efficient, consumer-friendly manner that allows for self-service return capabilities (e.g., online return requests, return label printing, etc.)

- Comply with any and all applicable laws, rules, regulations and policies related to advertising, sale and marketing of products
- Sell products in their original packaging unless product is purchased by Authorized Retailer's customer in combination with pre-install or pre-commissioned service offered by the Authorized Retailer. Relabeling, repackaging (including the separation of bundled products or the bundling of products) and other modifications to the product or literature accompanying the product of any kind are not permitted
- Refrain from tampering with, defacing, or otherwise altering any serial number, UPC code, or other identifying information on products or their packaging, or modifying or altering product packaging
- Refrain from altering or modifying product without the prior written consent of Kryptonite's General Manager
- Comply with all instructions from Kryptonite regarding the storage, shipment, handling, or disposal of any Kryptonite products
- If any product damage or defect is identified, promptly report it to Kryptonite's Customer Care Support Team at 800-729-5625

If Kryptonite reasonably believes noncompliance of its Program has occurred, it will notify you to initiate a review of your business activities directly related to this Program.

Appointment of Sub-Retailers

You are not authorized to assign your rights under this Program to any other reseller, nor are you authorized to appoint any other person or entity as a sub-retailer.

Primary Selling Area

If your business is incorporated in the United States of America, you may not market, distribute, export or sell Kryptonite Products outside the United States of America. If your business is incorporated in Canada, you may not market, distribute, export or sell Kryptonite Products outside Canada.

Pricing and Sales Policies

Kryptonite is responsible for the marketing and sales of its products. All Authorized Retailers are free to determine the prices at which they sell Kryptonite products. However, to ensure the integrity of its brands, preserve the value of its products, and build and maintain the selling network it believes is necessary to promote and sell its products, Kryptonite has unilaterally adopted a Minimum Advertised Price Policy ("MAP") and Online Sales Policy. These policies are effective January 1, 2018.

Kryptonite Minimum Advertised Price Policy

Kryptonite has determined that certain advertising practices undermine Kryptonite's trade reputation, brands, and premium image within the target customer population and discourage Kryptonite Authorized Retailers from investing in the Kryptonite product lines and providing the best possible

service and support to customers. Accordingly, to protect the integrity of the Kryptonite brands, Kryptonite has adopted a unilateral Minimum Advertised Price Policy (“MAP Policy”), which applies to all Authorized Retailers of Kryptonite products in the United States of America. Visit www.kryptonitelock.com for a full list of Kryptonite products.

The MAP Policy applies to all products listed on the Kryptonite MAP Schedule (“Covered Products”). Kryptonite is solely responsible for establishing the minimum advertised price (“MAP”) for each Covered Product and will communicate the MAP for each Covered Product to all Authorized Retailers through the Kryptonite MAP Schedule.

The MAP Policy is not intended as, nor is it to be construed as, an attempt by Kryptonite to set advertised or resale prices or an agreement between Kryptonite and any Authorized Retailer or other party. In addition, Kryptonite will not accept any assurances of compliance with the MAP Policy from any Authorized Retailer. Each Authorized Retailer must independently choose whether to comply with the terms of the MAP Policy. The MAP Policy is not negotiable and will not be altered for any individual Authorized Retailer. The MAP policy is strictly limited to advertised prices and does not affect the prices that an Authorized Retailer may charge for Covered Products.

See www.kryptonitelock.com/en/retailer for the Kryptonite MAP Policy.

Kryptonite Online Sales Policy

Sales of Kryptonite offered products on any public website (including any online marketplace website) are not permitted unless authorized by Kryptonite. In order to request authorization to sell on a public website, you must submit an Online Sales Application to Kryptonite. A “public website” is a site accessible to the general public to purchase goods without requiring user registration and password to access the site.

See www.kryptonitelock.com/en/retailer for the Online Sales Application and Agreement.

Trademark Usage

Kryptonite expects the advertising and promotional activities of Authorized Retailers to reflect the Kryptonite brand. Kryptonite trademark usage guidelines must be followed at all times to ensure our trademark rights are not compromised. Kryptonite’s trademark usage guidelines may be found at www.kryptonitelock.com/en/retailer.

Kryptonite may review and approve your use or intended use of the Kryptonite name in advertising and promotional materials, without limitation. You also agree not to use, create, register or market, directly or indirectly, in whole or in part, Kryptonite’s names, logos, brands, or any other trademarks or names that are now or hereafter owned by Kryptonite as part of your company’s corporate or business name, as part of an internet domain name, uniform resource locator (URL), or in any

way connected with your business, trade address or other designation.

Any rights granted herein shall terminate if you cease to be an Authorized Retailer for any reason or if your rights are suspended by Kryptonite.

Return Policy

Unless approved by Kryptonite in writing, products delivered correctly may not be returned. If a return is authorized, Kryptonite will issue a return material authorization (“RMA”). Approved products must be returned within 90 days of issuance of the RMA. For non-warranty related returns, Kryptonite may apply a 45% restocking fee. See the Allegion Terms and Conditions of Sale and Service at www.kryptonitelock.com/en/retailer for specific details regarding returns.

Limited Warranty Policy

Kryptonite’s current limited product warranties are located at www.kryptonitelock.com. As an Authorized Retailer, you agree to pass through Kryptonite’s limited product warranties to your customers.

KRYPTONITE MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO ITS PRODUCTS AND NO OTHER PERSON, INCLUDING BUT NOT LIMITED TO, AUTHORIZED RETAILERS IS AUTHORIZED TO CHANGE, MODIFY, OR EXPAND KRYPTONITE’S WARRANTIES.

To ensure the safety and well-being of the end users of the Kryptonite products, Authorized Retailers will cooperate with Kryptonite with respect to any product recall or other consumer safety information dissemination effort. If any product defect is

identified, Authorized Retailer will promptly report it to Kryptonite’s Customer Care Support Team 800-729-5625.

Miscellaneous

The Kryptonite Authorized Retailer Program is a voluntary program, and you may cancel your participation at any time upon notice to Kryptonite.

Kryptonite may make adjustments or amend this Program at any time for any reason or terminate this Program at any time and for any reason without liability to you. You will receive notice of such adjustments, amendments or termination in the same manner that Kryptonite notifies all Authorized Retailers. Any adjustments or amendments to this Program will take effect immediately and your continued use, advertising, offering for sale, or sale of Kryptonite products, use of Kryptonite trademarks, names or other intellectual property or use of Kryptonite information or materials provided by Kryptonite to you following notice of the adjustments or amendments will be deemed to be your acknowledgement and agreement to adhere to the adjusted or amended Program terms and conditions.

For sales made in a PSA in the United States of America, this Program and any dispute arising under it will be governed by, construed, and enforced in accordance with the laws of the State of Indiana, United States of America, without regard to its choice of law rules. For sales made in a PSA in Canada, this Program and any dispute arising under it will be governed by, construed, and enforced in accordance with the laws of the State of New York, United States of America, without regard to its choice of law rules.