



Kryptonite® Authorized Seller Program

Program Effective Date:

January 1, 2018 – until discontinued or suspended

A Kryptonite Authorized Seller is one that purchases Kryptonite offered products directly from Kryptonite

Introduction

Schlage Lock Company, LLC, through its Kryptonite Division (“Kryptonite”), is pleased to offer you its Authorized Seller Program (“Program”). This Program applies to all transactions regarding portable security and safety products offered for sale by Kryptonite.

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
- Return Policy
- Credit Policy
- Price and Incentives Program
- Terms and Conditions of Sale and Service

Kryptonite believes that continued success depends on a strong authorized seller network and programs that allow for mutual growth. Having a selective authorized seller network is important for this success and growth. Kryptonite reserves the right to choose which Authorized Sellers it will sell to. Becoming an Authorized Seller requires acknowledgement and adherence to the Program terms and conditions. It is Kryptonite’s policy to not sell to any Authorized Seller who adopts distribution or sales practices that adversely affect our sales and ability to compete. Just as it is the right of any Authorized Seller to adopt its own sales practices or to cease doing business with Kryptonite at any time with or without cause, Kryptonite reserves the right to cease doing business with any Authorized Seller 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 Seller and you accept such appointment as an independent seller to market and sell Kryptonite offered products, subject to the terms and conditions of this Program. 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 does not imply that you will have access to purchase the full line of Kryptonite offered products or that you are the only Kryptonite authorized seller. Kryptonite reserves the right to terminate your status as an Authorized Seller if you fail to adhere to the Program terms and conditions.

When selling Kryptonite offered products, you are authorized to sell such products only to those parties that adhere to the Kryptonite Authorized Reseller program.

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

- Offer Kryptonite products in support of Kryptonite written specifications
- Maintain sufficient inventory to adequately support your customers’ 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

- Obtain sufficient product knowledge to provide all service and support resulting from your resale of Kryptonite offered products examples of which may include, but are not limited to, support activities such as installation, training, trouble shooting, technical support, and field service
- Provide a high-level of customer service and respond promptly to customer inquiries both before and after sale of products
- 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. 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 including, but not limited to, any late stage configuration 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 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, we will notify you to initiate a review of your business activities directly related to this Program.

Appointment of Resellers

As an Authorized Seller, you may appoint resellers of Kryptonite products that you purchase from Kryptonite. If your customer intends to resell the products, you are required to notify such customers of the Kryptonite Authorized Reseller Program. A copy of Kryptonite's Authorized Reseller Program may be found at www.kryptonitelock.com/en/seller. The reseller will be deemed an Authorized Reseller so long as the Authorized Reseller adheres to the Authorized Reseller Program terms and conditions. Kryptonite reserves the right, in its sole discretion, to revoke any Authorized Reseller's status as an Authorized Reseller and to place an Authorized Reseller on a Do Not Ship list or similar restriction for a failure to adhere to the Program terms and conditions or other applicable Kryptonite policies.

Primary Selling Area

You may not market, distribute, export, or sell Kryptonite Products outside your primary selling area ("PSA") without the prior written consent of Kryptonite. Your PSA will be determined by Kryptonite. See your Kryptonite Sales Representative for details. Your PSA will be non-exclusive and Kryptonite may sell directly or indirectly to other customers in your PSA.

Pricing and Sales Policies

Kryptonite is responsible for the marketing and sales of its products. All Authorized

Sellers 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

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 Sellers and Authorized Resellers (as defined herein) 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 Sellers and Authorized Resellers 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

Sellers and Authorized Resellers 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 Seller or Authorized Reseller or other party. In addition, Kryptonite will not accept any assurances of compliance with the MAP Policy from any Authorized Seller or Authorized Reseller. Each Authorized Seller or Authorized Reseller 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 Seller or Authorized Reseller. The MAP policy is strictly limited to advertised prices and does not affect the prices that an Authorized Seller or Authorized Reseller may charge for Covered Products.

This description of the MAP Policy is provided for your information only; your signature on the final page of this document is an acknowledgement that you are aware of the MAP Policy and does not constitute acceptance of, or agreement to adhere to, Kryptonite’s unilateral MAP Policy.

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

Trademark

As an Authorized Seller in compliance with this Policy, you will have a limited, non-exclusive license during your participation in the Program to reproduce the “Kryptonite Authorized Seller” logo in accordance with such standards for use as may be established from time to time by Kryptonite. The “Kryptonite Authorized Seller” logo may be found in the Kryptonite trademark usage guidelines (see link below).

Kryptonite expects the advertising and promotional activities of Authorized Sellers 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/seller.

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 Seller for any reason or if your rights are suspended by Kryptonite.

Limited Warranty Policy

Kryptonite’s current limited product warranties are located at www.kryptonitelock.com. As an Authorized Seller, 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 SELLERS OR AUTHORIZED RESELLERS, 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 Sellers will cooperate with Kryptonite with respect to any product recall or other consumer safety information dissemination effort.

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 Kryptonite Terms and Conditions of Sale and Service at www.kryptonitelock.com/en/seller for specific details regarding returns.

Purchasing Kryptonite Products

As an Authorized Seller, you may purchase products directly from Kryptonite. All sales of Kryptonite products are made pursuant to Kryptonite Terms and Conditions of Sale and Service, which are incorporated herein by reference. See www.kryptonitelock.com/en/seller for the complete terms and conditions.

Orders

Orders shall be in written form and include, at a minimum, the purchase order number, Authorized Seller’s account number, invoice address, ship to address, shipper’s letter of instruction for international shipments, part number, pricing, quote number (if applicable), and contact information. Kryptonite will notify you if an order has been accepted. If no acceptance is provided by Kryptonite, the order will be deemed rejected.

Minimum order quantities or values may apply. Changes to orders may not be made after 48 hours of an order acknowledgement. After 48 hours, a change order charge may be applied.

Prices and Incentives

Prices will be reflected in Kryptonite’s current product price book and are subject to change at any time. Kryptonite endeavors to give Authorized Sellers 30 days’ notice of any price change.

The following terms and conditions apply to any buy program or incentives offered to you by Kryptonite:

- Your account must pay within Kryptonite specified pay terms in order to receive incentives. Days outstanding will be calculated beginning the date of invoice and concluding the day payment is received and posted to your account. All payments received will be used to determine average days outstanding.
- If requested by Kryptonite, any account that carries a receivable balance of greater than \$350,000.00 at any time during a calendar year will be required to provide Kryptonite with financial statements (audited when available) on an annual basis. These financial statements will be used solely for evaluation of Kryptonite’s receivables position and to confirm incentives provided to you. Failure to submit financial statements to Kryptonite will result in a 25% reduction in any eligible incentive. In order to remain eligible for a full incentive each calendar year, Authorized Sellers should submit their latest available audited financial statements to Kryptonite’s Credit Manager by March 31st to avoid any delay in receiving an eligible incentive.

Authorized Sellers should contact their Kryptonite sales representative for eligible pricing and incentives.

Pay Terms and Credit

Invoices will be issued upon shipment of each order. Pay terms will be as established by Kryptonite.

Unless purchases are prepaid in advance, all orders will be subject to a credit limit established by Kryptonite and other terms of credit set forth in Kryptonite's credit application. Kryptonite's credit application and required documents (e.g., tax exemption certificates for each state where product is shipped, current W-9, etc.) must be on file with Kryptonite prior to order placement.

Miscellaneous

The Kryptonite Authorized Seller 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 Sellers. 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.

Your acknowledgement below signifies that you have the requisite authority on behalf of your company to accept these Program terms and conditions and that you have read, understand and will adhere to the Program terms and conditions in order to maintain Authorized Seller status with Kryptonite.

ACKNOWLEDGED BY:

(Legal Name of Authorized Seller Entity)

(Authorized Seller's Account Number)

(Insert Name – Printed)

(Insert Name – Signed)

(Insert Title)

(Insert Date)