



Authorized Reseller Program

Program Effective Date:

January 1, 2018 – until discontinued or suspended

An Authorized Reseller is one that purchases Allegion offered products directly from an Allegion Authorized Seller and resells Allegion offered products solely to other Authorized Resellers or to end users of the products

Introduction

Allegion, through its Schlage Lock Company, LLC wholly owned subsidiary (“Allegion”) is pleased to offer you its Authorized Reseller Program (“Program”). This Program applies to all transactions regarding residential and commercial products offered for sale by Allegion.

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

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

Appointment

Allegion appoints you as an Authorized Reseller and you accept such appointment as an independent reseller to market and sell Allegion 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 Allegion, nor does it grant Allegion the right to act as agent or representative of you. Allegion reserves the right to terminate your status as an Authorized Reseller if you fail to adhere to the Program terms and conditions.

Such appointment is non-exclusive, meaning Allegion reserves the right to appoint other authorized resellers at any time to serve any locations. Such appointment does not imply that you will have access to purchase the full line of Allegion offered products. Availability will depend on various factors determined by your designated Allegion Authorized Seller. As an Authorized Reseller, you may sell Allegion offered products to end user consumers or other Authorized Resellers. If any customer intends to resell the products, you are required to notify such customers of the Allegion Authorized Reseller Program. A copy of Allegion’s Authorized Reseller Program may be found at www.allegion.com/auth-resellers. The reseller will be deemed an Authorized Reseller so long as the Authorized Reseller adheres to these Program terms and conditions. Allegion 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 Allegion policies.

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

- Offer Allegion products in support of Allegion 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 Allegion products examples of which may include, but are not limited to, support activities such as installation, initialization, software set-up, 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 Allegion 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 unless product is purchased by Authorized Reseller's customer in combination with pre-install or pre-commissioned service offered by the Authorized Reseller. 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 Allegion's Vice President of Sales

- Comply with all instructions from Allegion regarding the storage, shipment, handling, or disposal of any Allegion products
- If any product damage or defect is identified, promptly report it to Allegion's Customer Care Support Team at 877-671-7011

If Allegion 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

Primary Selling Area

You may not market, distribute, export, or sell Allegion Products outside the United States of America.

Pricing and Sales Policies

Allegion is responsible for the marketing and sales of its products. All Authorized Resellers are free to determine the prices at which they sell Allegion 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, Allegion has unilaterally adopted a Minimum Advertised Price Policy ("MAP") and Online Sales Policy. These policies are effective January 1, 2018.

Allegion Minimum Advertised Price Policy

Allegion has determined that certain advertising practices undermine Allegion's trade reputation, brands, and premium image within the target customer population and discourage

Allegion Authorized Resellers from investing in the Allegion product lines and providing the best possible service and support to customers. Accordingly, to protect the integrity of the Allegion brands, Allegion has adopted a unilateral Minimum Advertised Price Policy (“MAP Policy”), which applies to all Authorized Resellers of Allegion products in the United States of America. Visit www.allegion.com for a full list of Allegion brands.

The MAP Policy applies to all products listed on the Allegion MAP Schedule (“Covered Products”). Allegion 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 Resellers through the Allegion MAP Schedule.

The MAP Policy is not intended as, nor is it to be construed as, an attempt by Allegion to set advertised or resale prices or an agreement between Allegion and any Authorized Reseller or other party. In addition, Allegion will not accept any assurances of compliance with the MAP Policy from any Authorized Reseller. Each 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 Reseller. The MAP policy is strictly limited to advertised prices and does not affect the prices that an Authorized

Reseller may charge for Covered Products.

See www.allegion.com/auth-resellers for the Allegion MAP Policy.

Allegion Online Sales Policy

Sales of Allegion offered products on any public website (including any online marketplace website) are not permitted unless authorized by Allegion. In order to request authorization to sell on a public website, you must submit an Online Sales Application to Allegion. 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.allegion.com/auth-resellers for the Online Sales Application and Agreement.

Trademark Usage

Allegion expects the advertising and promotional activities of Authorized Resellers to reflect the Allegion brand. Allegion trademark usage guidelines must be followed at all times to ensure our trademark rights are not compromised. Allegion’s trademark usage guidelines may be found at www.allegion.com/auth-resellers.

Allegion may review and approve your use or intended use of the Allegion 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, Allegion’s names, logos, brands, or any other trademarks or names that are now or hereafter owned by Allegion 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 Reseller for any reason or if your rights are suspended by Allegion.

Limited Warranty Policy

Allegion's current limited product warranties are located at www.allegion.com. As an Authorized Reseller, you agree to pass through Allegion's limited product warranties to your customers. ALLEGION MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO ITS PRODUCTS AND NO OTHER PERSON, INCLUDING BUT NOT LIMITED TO, AUTHORIZED RESELLERS, IS AUTHORIZED TO CHANGE, MODIFY, OR EXPAND ALLEGIONS' WARRANTIES.

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

Miscellaneous

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

Allegion 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 Allegion notifies all Authorized

Resellers. Any adjustments or amendments to this Program will take effect immediately and your continued use, advertising, offering for sale, or sale of Allegion products, use of Allegion trademarks, names or other intellectual property or use of Allegion information or materials provided by Allegion 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.

In consideration for the appointment as an Authorized Reseller as provided under this Program, you agree that in the event of a breach or threatened breach of these Program terms and conditions, Allegion will have no adequate remedy in money or other damages at law. Accordingly, Allegion shall be entitled to injunctive relief and other equitable remedies; provided, however, no specification in these Program terms and conditions of any particular remedy shall be construed as a waiver or prohibition of other remedies in the event of a breach or threatened breach of these Program terms and conditions. No failure, refusal, neglect, delay, waiver, forbearance, or omission by Allegion to exercise any rights herein or to insist on full compliance by any Authorized Reseller with the Program terms and conditions shall constitute a waiver of any term or otherwise limit Allegion's right to fully enforce any or all terms and conditions or parts thereof.

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, without regard to its choice of law rules. In the event of a dispute over the terms and conditions of, or performance under, the Program, Authorized Resellers expressly submit to personal jurisdiction and venue in the federal or state courts located in Hamilton County, Indiana