



## INTERNET SALES & ADVERTISING POLICY

### INCLUDES INTERNET MINIMUM ADVERTISED PRICE (IMAP) STANDARDS

#### EFFECTIVE AS OF MAY 6, 2022

*The Master Lock Company LLC ("TMLC") has adopted the following Internet Sales & Advertising Policy ("Policy") effective as of May 6, 2022 ("Effective Date"). This Policy is applicable to each Reseller located in the United States of America relative to its online advertising and sales for products sold under the Master Lock and SentrySafe brands or any other TMLC brand as added from time to time. Various terms are defined in Section 7 of this Policy.*

1. **Purpose.** TMLC is recognized around the world as a leader in a wide range of security products and has worked hard and invested heavily over many years to build its **Master Lock**<sup>®</sup> and **SentrySafe**<sup>®</sup> brands. Through its efforts, these brands have come to earn the trust of customers by delivering on the promise of strength and quality and by continually setting new standards for design and performance. TMLC has adopted this Policy in an effort to help safeguard the reputation of the company and its products, ensure the long-term viability of the Master Lock and SentrySafe brands and protect the investment of those Resellers that provide valuable services to end users. This Policy initially applies to designated products under the Master Lock and SentrySafe brands but may be expanded to cover select products under any other TMLC brand.
2. **IMAP Standards.**
  - a. **Internet Minimum Advertised Price.** TMLC has established a minimum advertised price which may be posted or otherwise marketed online for certain products sold utilizing the Master Lock Brand Assets or SentrySafe Brand Assets (each an "IMAP Product"). Those products designated as IMAP Products will be listed on an IMAP Products List. For a list of IMAP Products by SKU and the corresponding IMAP for each, see [https://cdn.masterlock.com/masterlock/resources/documents/pdf/IMAP\\_Sku\\_list.pdf](https://cdn.masterlock.com/masterlock/resources/documents/pdf/IMAP_Sku_list.pdf). This IMAP List may be updated by TMLC from time to time. Only the online offer price for an IMAP Product is subject to these IMAP standards, not the actual sales price, so **each Reseller remains free to sell at any price it chooses**. This means that for websites or other electronic platforms, Price Information appearing outside the cart and in the cart is subject to the IMAP standards, but Price Information provided at checkout is not covered by such policy.
  - b. **IMAP Violations.** Although each Reseller is free to establish its own resale prices, no Reseller shall advertise online or otherwise promote on the Internet any IMAP Product at a price lower than the Internet Minimum Advertised Price. This includes avoiding use of strike-through advertised pricing or similar advertised pricing mechanisms that would lead the consumer to reasonably believe the advertised product price is less than the IMAP price. For avoidance of doubt, Resellers may offer the following without impact on IMAP: free or discounted shipping in connection with an actual purchase of at least one IMAP Product, provided that the value is reasonable; and any taxes, delivery, insurance or other similar charges paid for by the end user.
  - c. **Treatment of Bundles.** Unless a Bundle offered by a Reseller (i) originates from TMLC, (ii) is authorized on a price list from TMLC prior to such offer or sale, or (iii) otherwise has been expressly approved in advance by TMLC, a Bundle will violate the IMAP standards if, after applying the IMAP to the IMAP Products in the Bundle, the remaining value ascribed to the non-IMAP Products is less than the fair market value as determined by TMLC. (For example, when a Bundle that consists of a Master Lock combination lock and a magnetic locker mirror is offered for \$6.99, the IMAP of \$4.99 for the lock is subtracted from \$6.99, leaving \$2.00. If the fair market value of the mirror is more than \$2.00, the IMAP standards have been violated.)
  - d. **IMAP Exemptions.** A Reseller does not violate the IMAP standards in the following situations, so long as the Reseller otherwise complies with the IMAP standards:
    - i. **Special TMLC Programs:** The online offer of IMAP Products at a price below IMAP under one or more special programs offered by or through TMLC; and
    - ii. **Online Storewide, Site-wide or Category-wide Promotions:** Online storewide, site-wide or category-wide promotion marketed offered by Reseller involving a financial incentive, as long as: (A) TMLC has given express, prior written approval for participation of each IMAP Product eligible for such promotion; (B) such Reseller complies with any terms and conditions of such approval, which may include a requirement to exclude one or more IMAP Products from the promotion.
  - e. **Updates & Modifications to IMAP Standards.** At any time TMLC may update, amend or rescind this Policy, included but not limited to adding or removing IMAP Products and updating IMAP designated prices. For its established

Distributors, TMLC will use reasonable efforts to notify such Distributors in advance of any material changes. Nevertheless, each Reseller (including each Distributor) is responsible for routinely checking the IMAP Product List to ensure it is aware of which Master Lock or SentrySafe products are under an IMAP and the applicable Internet minimum advertised price.

### **3. Advertising & Marketing (A&M) Standards.**

- a. **Use of Brand Assets.** TMLC has invested heavily in the development of Brand Assets designed to support and enhance the marketing of its products including without limitation marketing photography, POS materials, product descriptions, ASINs, UPCs, products samples, website and social media content, promotional contributions, etc. TMLC's authorization is required to use the Brand Assets to help sell any Master Lock or SentrySafe product regardless of whether it is an IMAP Product. Resellers who have been expressly designated as Distributors are granted authorization to use the Brand Assets but only in support of the sale of genuine products offered by TMLC and for no other purpose. Other Resellers require TMLC's written permission to use the Brand Assets. TMLC expressly reserves the right to deny authorization to (or to de-authorize) any Reseller relative to use of one or more of its Brand Assets where TMLC determines such use is not in the best interests of its business or brands.
- b. **Creating Identification Numbers or Codes for TMLC Products.** TMLC creates Amazon Standard Identification Numbers ("**ASINs**"), Universal Product Codes ("**UPCs**") and similar identification tools for its various products where TMLC deems appropriate. Resellers are not permitted to create new or different ASINs, UPCs or the substantive equivalent (i.e., other than those obtained and used by TMLC) in connection with any or all TMLC products without TMLC's prior express written consent.
- c. **A&M Violations.** Notwithstanding any other rights and remedies TMLC may have, a Reseller violates this Policy if any online advertisement, promotion or other marketing vehicle (regardless of the medium) used by or on behalf of such Reseller includes any or all of the Brand Assets and the Reseller is not a designated Distributor or received TMLC's express prior written approval to use the Brand Assets. Said advertising, promotion or other marketing vehicle also violates this Policy if it does not conform to (i) IMAP pricing (where applicable), or (ii) TMLC brand guidelines or other directions relative to the use of TMLC Intellectual Property.

### **4. Additional Ways to Violate this Policy.** Except as expressly authorized or directed by TMLC, a Reseller (directly or indirectly through another party for the benefit of such Reseller) engaging in any or all of the following conduct (or the substantive equivalent thereof) in connection with the offering or sale of any or all TMLC Products will be deemed to be a violation of this Policy:

- a. **Providing IMAP Products to Violating Resellers:** Selling or otherwise providing IMAP Products to third party Resellers who you know, or reasonably should know, are violating this Policy;
- b. **Auctions:** Offering or selling any or all of the IMAP Products by auction, make an offer, or best offer format;
- c. **Sign-up Discounts:** Each offer of a Financial Incentive applicable to any or all of the IMAP Products for (i) sign-up by an end user (whether email or text sign-up, new customer sign-up or lapsed customer sign-up), (ii) referral of an end user or (iii) the substantive equivalent of any or all of these terms or concepts;
- d. **Strike-Throughs, Rollovers & Other Price Reduction Mechanisms:** Showing a strike-through (or visual cue or mechanism to connote the shown price is not applicable or is lower) of any online advertised price in connection with the sale of IMAP Products regardless of whether one or more other prices are shown;
- e. **Pick-up Discounts:** For any or all of the IMAP Products, offering one or more pick-up discounts or the substantive equivalent, unless such offering does not take Net Adjusted Price below the relevant IMAPs;
- f. **Trade-ins:** Advertising, promoting or applying a trade-in offer (including without limitation that involving a Financial Incentive) in connection with or applicable to any IMAP Product, regardless whether a specific trade-in price or value is advertised or promoted;
- g. **IMAP Mentions:** Advertising, mentioning, stating or implying that any product is subject to the IMAP standards in this Policy in connection with the offer or sale of any or all of the IMAP Products without TMLC's express prior written approval;
- h. **Audit Compliance:** Failing to promptly provide information requested by TMLC or otherwise cooperate with TMLC in auditing compliance by such Reseller or others with this Policy or otherwise; and
- i. **Noncompliance/Circumvention:** Failing to comply with any or all of the Reseller Policies or employing any tactic(s) which TMLC determines are intended to circumvent application or operation of this Policy.

5. **Consequences of Violating this Policy.** Violations of this Policy will be addressed as follows:

<b>Violation</b>	<b>Consequences</b>
<b>First Violation</b>	1 <sup>st</sup> Warning Notice - Corrective action* required within 72 hours  * For Unauthorized Resellers – Corrective action includes removal of any Master Lock or SentrySafe Brand Assets from violating website.
<b>Second Violation</b>	2 <sup>nd</sup> Warning Notice – Corrective action* required within 48 hours after which TMLC may commence a stop ship order (see 3 <sup>rd</sup> Violation)  * For Unauthorized Resellers – Corrective action includes removal of any Master Lock or SentrySafe Brand Assets from violating website.
<b>Third Violation</b>	3 <sup>rd</sup> Warning Notice + Minimum 60 Day Stop Ship of Violating IMAP Product (SKU-specific)*  Effective as of the Notice date and continuing for at least (i) 60 days, or (ii) until the IMAP violation is fully corrected if longer than 60 days, no new orders will be accepted from violating Reseller for the relevant IMAP Product, and all pending orders (even if accepted) may be cancelled. <b>A supplier Reseller will be held accountable (and shipping of the relevant IMAP product will be stopped) if the supplier knows, or reasonably should know, it is selling to a violating customer.</b>
<b>Ongoing Violations / Bad Faith</b>	In the event of continual violations of a SKU or multiple SKUs or other evidence of bad faith, TMLC may take one or more of the following actions for as long as TMLC deems necessary to protect its brands and business: (i) cease shipping all or some Master Lock or SentrySafe branded products (including non-IMAP products), (ii) withhold access to one or more new Master Lock or SentrySafe products, (iii) require Reseller to remove all or some Master Lock or SentrySafe Brand Assets from violating website/s, (iv) revoke any marketing contribution dollars, rebates, allowances or discounts, (v) remove Reseller’s listing on “Where To Buy” on masterlock.com and/or sentrysafe.com websites; (vi) rescind the implicit discount applied for compliant marketing and advertising of Master Lock and SentrySafe products so that any stated purchase to Reseller for such products is increased by ten percent (10%) for each SKU; and/or (vii) place Reseller on a Do Not Sell List which will be provided to Distributors of Master Lock and SentrySafe products.

6. **Treatment of Violations.** First, Second and Third Violations will be assessed on a per IMAP Product (i.e., SKU-specific) basis. However, Resellers’ overall compliance with the Policy and good faith will be assessed as against all IMAP Products and violations will continue to accrue until a Reseller has been violation-free across all IMAP Product SKUs for one year. After one year violation-free, the violation consequences for a Reseller will reset to a First Warning. If a Reseller fails to correct a violation within the time period specified by TMLC in the Notice of such violation, such failure will be a subsequent violation of this Policy (i.e., the same acts or failures to act may result in multiple violations). **A stop shipment under this Policy arises solely due to Reseller’s action/inaction, is made with advance warning to Reseller and Reseller has an opportunity to cure. As such, no such stop shipment may be treated by Reseller as a breach by TMLC of any contractual obligations of TMLC (i.e., a stop shipment under this Policy is not a late shipment nor a failure to supply by TMLC).**

7. **Certain Definitions.** For purposes of this Policy:

- a. **“Bundle”** means, other than multiples of the identical product, a combination of one or more of the IMAP Products with any or all (i) other Master Lock or SentrySafe branded products, (ii) other third-party products, (iii) services or (iv) benefits offered or sold together (as determined by TMLC);
- b. **“Brand Assets”** means Intellectual Property, materials and promotional programs created or offered by TMLC to support and enhance the marketing of its products including without limitation marketing photography, POS materials, product descriptions, products samples, website and social media content, promotional contributions, and other Intellectual Property which are used to support our Master Lock and SentrySafe brands.
- c. **“Distributor”** means an individual or entity that has been expressly designated by TMLC to promote, sell or otherwise supply one or more TMLC Products to any or all Resellers (actual or potential), whether doing so directly or through another party that does such things as advertise or fulfill orders on behalf of such individual or entity (unless and until such TMLC terminates such status as Distributor);
- d. **“Electronic Content”** means information that (i) can be accessed by an Internet browser or the substantive equivalent, including, but not limited to, (A) internet shopping sites, (B) marketplaces and (C) comparison search engines (CSEs) to which a Reseller supplies Price Information (e.g., Google Shopping, Rakuten, eBay, Amazon and PriceGrabber); (ii) is provided by or through one or more applications (apps) for mobile devices (e.g., tablets and smartphones), including, but

not limited to, social media apps (e.g., Twitter, Instagram and Facebook) and mobile gaming platforms; or (iii) is furnished by or through (A) electronic solicitations or other electronic communications (e.g., robocalls, caller-on-hold and other audio recordings, messaging (such as SMS (text), MMS (multimedia) and IM (instant)), webcasts, email and online or other electronic chats), (B) electronic advertisements (such as email newsletters, pop-ups and banners) or (C) the substantive equivalent;

- e. **“Intellectual Property”** means any or all registered and unregistered trademarks, trade names, service marks, trade dress, copyrights, logotypes, domain names, images, artwork, designs, copy, data, databases, marketing information, trade secrets, confidential information and any similar rights;
- f. **“Notice”** means written notice from TMLC to a Reseller provided or made available electronically or otherwise, such as, but not limited to, posting on one or more websites designated by TMLC;
- g. **“TMLC Products”** means the products offered by TMLC, initially this shall apply to Master Lock and SentrySafe branded products, but Resellers should check the IMAP Product List as other TMLC brands may be added;
- h. **“Price Information”** means information regarding price, whether express or implied, such as a discrete price, price formula, reference to price or anything related to price (e.g., representations or inferences regarding savings, discount(s) or value) and the substantive equivalent;
- i. **“Reseller”** means an individual or entity that (i) promotes and/or sells one or more Master Lock or SentrySafe products to any or all actual and potential end user purchasers (collectively, **“end users”** and individually, an **“end user”**), whether doing so directly or through another party that does such things as advertise or fulfill orders on behalf of such individual or entity or (ii) is a Distributor, but only to the extent, if any, that such Distributor performs as a Reseller;
- j. **“Reseller Policies”** means, collectively, the current announcements and policies (whether in the form of correspondence, memoranda, notices or otherwise) intended by TMLC for a Reseller, including without limitation this Policy.
- k. **“Unauthorized Reseller”** means, a Reseller who is not expressly authorized by TMLC to sell TMLC products because it is currently buying directly from TMLC under TMLC’s contractual purchase terms or otherwise has been approved by TMLC as a designated Distributor.

**8. Additional Provisions.** Effective as of the Policy Effective Date, this Policy supersedes and cancels any earlier TMLC policy Internet minimum advertised price, minimum retail or resale price and other matters referred to herein.

- a. For purposes of compliance with this Policy, each business (regardless of the names used and location) directly or indirectly owned, operated or associated with a Reseller (as determined by TMLC) will be considered to be part of such Reseller, so that each violation by any such business will be aggregated with that or those of each other such business and attributed to such Reseller. Notwithstanding the use of the term “partner” or anything similar thereto in this Policy or elsewhere, nothing herein or therein shall constitute or be deemed to constitute in the legal sense a partnership, franchise or joint venture between TMLC and a Reseller.
- b. If approval is sought by a Reseller relative to use of Brand Assets or some other request relating to this Policy, TMLC’s failure to respond will not be deemed to be an approval.
- c. In the event that a Reseller clearly and reasonably demonstrates to TMLC’s satisfaction that (i) a violation was issued in error, or (ii) the Reseller did not have sufficient notice to comply with a newly issued IMAP standard (or other material change in this Policy) and provided the Reseller can also demonstrate that it is in the process promptly making changes to comply in good faith, then in either instance TMLC may withdraw the violation temporarily or permanently as it deems appropriate. If TMLC determines that a Reseller does not qualify for (or has abused) an IMAP Exemption, such exemption may be withdrawn by TMLC at any time with respect to that Reseller. The consequences of violating this Policy are non-exclusive and do not limit or waive in any way the legal, equitable and other remedies available to TMLC, particularly for, but not limited to, conduct relating to TMLC Brand Assets.
- d. TMLC has adopted this policy unilaterally in furtherance of its independent business strategy for its Master Lock and SentrySafe brands. Each Reseller is free to decide independently whether to follow this Policy. TMLC will implement, interpret and enforce this Policy in its sole discretion and independent judgment. TMLC does not expect, and will not accept, any assistance from or agreement with you about this Policy or its implementation, interpretation or enforcement.

**9. Questions, Comments, Additional Information or Information Regarding Potential Violations.** All questions or requests for additional information regarding this Policy and all information regarding potential and actual violations of this Policy must be in writing and are to be addressed to the person at TMLC with sole responsibility for administration of this Policy (the **“Policy Administrator”**) at **PolicyAdmin@mlock.com**. Only the Policy Administrator or the Policy Administrator’s designated representatives are authorized by TMLC to answer questions or requests for additional information regarding this Policy, to comment on this Policy or to accept information regarding potential or actual violations. Except for the Policy

Administrator and such representatives, no TMLC employee or independent sales representative has authority to comment upon or to take any action under this Policy.

Please make sure that all appropriate people in your organization receive a copy of this Policy. We appreciate your full support.