



Authorized Retailer Program

Program Effective Date:

January 1, 2018 – until discontinued or suspended

An Authorized Retailer is one that purchases Allegion offered products directly from Allegion and resells such products to end users/consumers buying for personal use.

Introduction

This Authorized Retailer Program is issued by Allegion Canada Inc. (“Allegion”), an Allegion plc entity. This Program applies to Authorized Retailers of Allegion offered products (“Products”) in Canada. By purchasing Products from Allegion for retail sale, you agree to adhere to the following terms. Please read this Retailer Program carefully. Until such status is otherwise revoked by Allegion, 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

Allegion 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 Allegion’s policy to not allow sales to any Authorized Retailer who adopts resales 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 Allegion products at any time with or without cause, Allegion 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 Allegion, in its sole discretion.

Appointment

Allegion appoints you as an Authorized Retailer and you accept such appointment as an independent retailer to market and sell Allegion 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 Allegion, nor does it grant Allegion the right to act as agent or representative of you.

Such appointment is non-exclusive, meaning Allegion 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 Allegion offered products. Availability will depend on various factors determined by Allegion.

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 Allegion 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 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 1-800-900-4734

If Allegion 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

You may not market, distribute, export, or sell Allegion Products outside Canada.

Pricing and Sales Policies

Allegion is responsible for the marketing and sales of its products. All Authorized Retailers 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 Retailers 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 Retailers of Allegion products in

Canada. Visit www.allegion.ca 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 Retailers 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 Retailer or other party. In addition, Allegion 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 <http://allegion.ca/auth-retailer> 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 <http://allegion.ca/auth-retailer> for the Online Sales Application and Agreement.

Trademark Usage

Allegion expects the advertising and promotional activities of Authorized Retailers 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 <http://allegion.ca/auth-retailer>.

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 Retailer for any reason or if your rights are suspended by Allegion.

Return Policy

Unless approved by Allegion in writing, products delivered correctly may not be

returned. If a return is authorized, Allegion 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, Allegion may apply a 50% restocking fee. See the Allegion Terms and Conditions of Sale and Service at <http://allegion.ca/auth-retailer> for specific details regarding returns.

Limited Warranty Policy

Allegion’s current limited product warranties are located at www.allegion.ca. As an Authorized Retailer, 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 RETAILERS 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 Retailers will cooperate with Allegion 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 Allegion’s Customer Care Support Team 1-800-900-4734.

Miscellaneous

The Allegion Authorized Retailer 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 Retailers. 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.

This Program and any dispute arising under it will be governed by, construed, and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.