



Dear Security Dealer,

At Spectrum Brands, Inc., we are committed to you—the security dealer partners that have helped our Kwikset® brand become the #1 selling residential U.S lock brand by providing customers with the quality, technology, durability and style they want while guaranteeing the highest level of security. To protect our brand and the integrity of our authorized distribution channels, Spectrum Brands, Inc., for its Kwikset brand ("Kwikset"), is announcing and implementing an Authorized Reseller Program, effective August 3, 2020.

Among other benefits, our Authorized Reseller Program will ensure that all sellers of Kwikset products understand and take the steps necessary to ensure product quality and provide the excellent customer service that is integral to the reputation of our brand. In addition, our Authorized Reseller Program will assist us in identifying and taking action against unauthorized sellers that are harming you and consumers through the sale of damaged and diverted products.

Your obligations under our new Authorized Reseller Program are outlined in the attached **Kwikset Authorized Security Dealer Policy**, the key features of which are set forth below:

- **Restrictions on Resale:** Kwikset is committed to maintaining the integrity of its authorized distribution channels and to stopping the diversion of Kwikset products to unauthorized sellers. To this end, the Authorized Security Dealer Policy provides that you may only purchase Kwikset products for installation as part of a commercial building security or building automation enterprise. You are not permitted to sell or transfer the products in an uninstalled state to any person or entity without our prior written consent. This prohibition includes the resale of the products in an uninstalled state by any means, including online. This rule will be strictly enforced.
- **Ensuring Product Quality and Satisfaction:** To ensure that the end users who select Kwikset products for installation have the best experience possible, the Authorized Security Dealer Policy describes certain steps you must take to maintain the quality of Kwikset products prior to and during installation. The Authorized Security Dealer Policy also outlines our expectations for the service you must provide to your customers.

For your reference, we have included a Frequently Asked Questions document regarding the Authorized Security Dealer Policy and our new Authorized Reseller Program. Thank you for your careful attention to the Authorized Security Dealer Policy and for your continued support of Spectrum Brands, Inc. and the Kwikset brand.

Please direct any questions regarding the Authorized Reseller Program or the attached documents to kwikset.reseller.program@spectrumbrands.com.

Sincerely,

Spectrum Brands, Inc.



KWIKSET AUTHORIZED SECURITY DEALER POLICY
Effective Date: August 3, 2020

This Kwikset Authorized Security Dealer Policy ("Security Dealer Policy") is issued by Spectrum Brands, Inc., for its Kwikset® brand ("Kwikset"), and applies to Authorized Security Dealers of Kwikset products ("Product(s)") in the United States of America. By purchasing Products from Kwikset or an Authorized Kwikset Wholesaler for installation, you ("Security Dealer") agree to adhere to the following terms and conditions. This Security Dealer Policy supplements any then-current resale or installation agreement between you and Kwikset. Until such status is revoked by Kwikset in Kwikset's sole and absolute discretion, Security Dealer shall be considered an "Authorized Security Dealer" hereunder. Kwikset may review Security Dealer's activities for compliance with this Security Dealer Policy, and Security Dealer agrees to cooperate with any investigation, including, but not limited to, permitting inspection of Security Dealer's facility and records related to the Products.

1. **Authorized Purchase and Sale of Products.** Security Dealer is authorized to purchase Products only for installation as part of a commercial building security or building automation enterprise. **Security Dealer shall not sell or transfer Products in an uninstalled state to any person or entity without the prior written consent of Kwikset. This prohibition includes the resale of Products in an uninstalled state on or through any website, online marketplace (e.g., Amazon, eBay, Sears Marketplace, and Walmart Marketplace), mobile application, or other online forum.** Security Dealer shall not sell, install, ship, invoice, or promote the Products outside the United States of America without Kwikset's prior written consent, which consent may be withheld in Kwikset's sole discretion.

The terms of this Security Dealer Policy supersede any prior agreement between Kwikset and Security Dealer regarding the sale of the Products online. Any authorization previously granted to Security Dealer by Kwikset to sell the Products on or through a website, mobile application, or other online forum is hereby revoked. Security Dealer shall immediately (i) remove advertisements and offers to sell the Products from any and all websites, online marketplaces, mobile applications, and other online forums, and (ii) cease sales through any and all websites, online marketplaces, mobile applications, and other online forums.

2. **Sales Practices.** Security Dealer shall conduct its business in a reasonable and ethical manner at all times and shall not engage in any deceptive, misleading, or unethical practices or advertising at any time. Security Dealer shall not make any warranties or representations concerning the Products except as expressly set forth in the written Kwikset Limited Warranties. Security Dealer shall comply with any and all applicable laws, rules, regulations, and policies related to the use, advertising, sale, and marketing of the Products. Security Dealer shall represent the Products in a professional manner and refrain from any conduct that is or could be detrimental to the reputation of Kwikset.

3. **Product Care, Customer Service, and Other Quality Controls.** Security Dealer shall comply with the Product Care, Customer Service, and Other Quality Controls attached hereto as Exhibit A.

4. **Intellectual Property.** Security Dealer acknowledges and agrees that Kwikset owns all proprietary rights in and to the Kwikset brand, names, logos, trademarks, service marks, trade dress, copyrights, patents, and other intellectual property related to the Products (the "Kwikset IP"). Except as expressly provided in this Section 4, (i) nothing in this Security Dealer Policy shall grant (or be deemed to grant) any right, title or interest in or to the Kwikset IP, and (ii) Security Dealer shall refrain from any use of the Kwikset IP. Without limiting the foregoing, Security Dealer is granted a limited, non-exclusive, non-transferable, revocable license to use the Kwikset Marks (as hereinafter defined) solely for purposes of marketing, installing, and selling the Products as set forth herein. This license will cease upon termination of Security Dealer's status as an Authorized Security Dealer. All goodwill arising from Security Dealer's use of the Kwikset Marks shall inure solely to the benefit of Kwikset.

Security Dealer's use of the Kwikset Marks shall be in accordance with the Kwikset Brand Guidelines available from Kwikset upon request, and must be commercially reasonable as to the size, placement, and other manners of use. Kwikset reserves the right, at any time and from time to time, without limitation, to review and approve, in its sole discretion, Security Dealer's use or intended use of the Kwikset Marks. Security Dealer shall not create, register, or use any domain name or any mobile application that contains any Kwikset product name, or any logo, trademark or service mark, or other indicator of origin (each, a "Kwikset Mark" and, collectively, the "Kwikset Marks") owned by Kwikset, nor a misspelling or confusingly similar variation of any Kwikset product name or any Kwikset Mark owned by Kwikset.

5. **Termination.** Kwikset reserves the right to terminate Security Dealer's status as an Authorized Security Dealer, by giving written or electronic notice. Upon termination of a Security Dealer's status as an Authorized Security Dealer, Security Dealer shall immediately cease (i) selling and installing the Products; (ii) acting in any manner that may reasonably give the impression that Security Dealer is an Authorized Security Dealer of the Products or has any affiliation whatsoever with Kwikset; and (iii) using all Kwikset Marks.

6. **Modification.** Kwikset reserves the right to update, amend, or modify this Security Dealer Policy at any time. Unless otherwise provided, such amendments will take effect immediately, and Security Dealer's continued use, advertising, offering for sale, sale, or installation of the Products, use of the Kwikset Marks, or use of any other information or materials provided by Kwikset will be deemed Security Dealer's acceptance of the updates, amendments and modifications.

7. **Confidentiality.** This Security Dealer Policy, and its attachments, constitute confidential, proprietary information of Kwikset and shall not be used for any purpose other than the authorized advertising, sale, and installation of the Products nor disclosed to any third party without the prior written consent of Kwikset.

EXHIBIT A

KWIKSET PRODUCT CARE, CUSTOMER SERVICE, AND OTHER QUALITY CONTROLS

1. Comply with all instructions provided by Kwikset regarding the installation, storage, handling, shipping, disposal, or other aspect of the Products, including instructions provided on Product labels. Products shall be stored in a cool, dry place, away from direct sunlight.
2. Do not remove, translate, or modify the contents of any label or literature on or accompanying the Products.
3. Do not tamper with, deface, or otherwise alter any serial number, UPC code, or other identifying information on Products or their packaging.
4. Do not alter Products.
5. Do not represent or sell or advertise any Product as "new" that has been returned opened or repackaged. Do not install any Product that has been returned opened or repackaged, or is otherwise not "new," without the prior authorization of Kwikset (where applicable).
6. Promptly upon receipt of the Products, inspect the Products and their packaging for damage, defect, broken seals, evidence of tampering, or other nonconformance (a "Defect"). If any Defect is identified, do not offer the Product for sale or installation (where applicable) and promptly report the Defect to Kwikset.
7. Be familiar with the special features of all Products marketed for sale and obtain sufficient Product knowledge to advise customers on the selection, proper installation, operation, and safe use of the Products, as well as any applicable warranty or return policy. Be available to respond to customer questions and concerns both before and after sale and installation (where applicable) of the Products and endeavor to respond to customer inquiries promptly.
8. Cooperate with Kwikset with respect to any Product tracking systems that may be implemented from time to time.
9. Cooperate with Kwikset with respect to any Product recall or other consumer safety information dissemination efforts.
10. Report to Kwikset any customer complaint or adverse claim regarding the Products of which it becomes aware. Assist Kwikset in investigating any such complaints or adverse claims.
11. Cooperate with Kwikset in the investigation and resolution of any quality or customer service issues related to the sale and installation (where applicable) of the Products, including disclosing information regarding Product sources, shipment, and handling.



KWIKSET
AUTHORIZED RESELLER PROGRAM
AUTHORIZED SECURITY DEALER POLICY – FREQUENTLY ASKED QUESTIONS

Q1. Why is Kwikset implementing the Authorized Reseller Program?

A1. The Authorized Reseller Program is designed to protect the long-term integrity of the Kwikset brand and to support our relationships with our valued distribution channel partners, both in brick-and-mortar channels and online. The Program also aims to ensure that consumers receive the high-quality products and customer service they have come to expect from the Kwikset brand.

Q2. How will the Authorized Reseller Program benefit me?

A2. Among other benefits, the Authorized Reseller Program will assist Kwikset in identifying and taking action against unauthorized sellers who harm channel partners, like you, and consumers by selling diverted, damaged, defective, previously used, repackaged, or otherwise poor-quality products. The Program is critical to positioning the Kwikset brand for long-term success in today's evolving, increasingly e-commerce driven retail environment.

Q3. What is covered by the Authorized Security Dealer Policy?

A3. The Authorized Security Dealer Policy describes our rules regarding your authorized purchase and sale of Kwikset products. The Policy also explains our expectations of Security Dealers related to product quality and customer service prior to and during installation. These requirements are designed to ensure that consumers receive the quality and customer service that they have come to expect from the Kwikset brand.

Q4. Do I have to sign the Authorized Security Dealer Policy?

A4. No. You are not required to sign the Policy. The Policy is an announcement by Kwikset of its brand protection expectations and the terms and conditions upon which it will do business with channel partners.

Q5. Can I purchase Kwikset products for installation outside of the United States of America?

A5. No. Without the separate written consent of Kwikset, Authorized Security Dealers are not permitted to sell, install, invoice, promote, or ship Kwikset products outside of the United States of America.

Q6. What do I have to do to be "authorized" to purchase Kwikset products for installation?

A6. To become and remain an "Authorized Security Dealer," you must abide by the Authorized Security Dealer Policy.

Q7. Am I permitted to sell Kwikset products online?

A7. No. Pursuant to the Authorized Security Dealer Policy, Authorized Security Dealers may purchase Kwikset products only for installation as part of a commercial building security or building automation enterprise. Authorized Security Dealers are not permitted to sell or transfer Kwikset products in an uninstalled state to any person or entity without Kwikset's prior written consent. This prohibition includes the resale of Kwikset products in an uninstalled state by any means, including online.

Q8. When is the Authorized Security Dealer Policy effective?

A8. The Authorized Security Dealer Policy is effective as of August 3, 2020. Following that date, Authorized Security Dealers are expected to abide by the terms of the Authorized Security Dealer Policy.

Please direct any other questions regarding the Authorized Reseller Program to kwikset.reseller.program@spectrumbrands.com.