



Kryptonite Minimum Advertised Price Policy (“MAP”)

Effective: February 1, 2015

INTRODUCTION TO PROGRAM

Schlage Lock Company, LLC, through its Kryptonite portable security division (“Kryptonite”), has established a Minimum Advertised Price Policy (“MAP Policy”), effective February 1, 2015, which will apply to the advertising of Kryptonite Products.

Kryptonite provides premium security solutions to bicyclists and powersport enthusiasts. Kryptonite is the lock brand for people who want the certainty and freedom that comes from having premium u-locks, disc locks, cables, chains and electronic GPS tracking and monitoring solutions for their bicycles and powersport vehicles.

Kryptonite has elected to implement a MAP Policy to govern the advertising of the Kryptonite Products to:

- Position the Kryptonite Products effectively against competition;
- Aid in creating a consistent nationwide advertising campaign;
- Ensure that advertised prices represent an affordable price point while maintaining its public perception and reputation as a manufacturer of premium high quality, performance products and accessories.
- Otherwise position the Kryptonite Products for success in a competitive marketplace

Although retailers are free to determine their own retail prices, Kryptonite believes that failure to strictly comply with this policy will negatively affect the reputation, goodwill and customer service associated with Kryptonite Products and the general competitiveness of Kryptonite Products. Therefore, Kryptonite will cease sales of Kryptonite Products to retailers who fail to comply with this MAP Policy. **THE MAP POLICY DOES NOT APPLY TO ACTUAL RESALE PRICES.** The MAP Policy is not intended as, nor is it to be construed as, an attempt by Kryptonite to set resale prices, or an agreement between Kryptonite and any reseller with respect to resale prices. In addition, Kryptonite will not accept any assurances of compliance from any reseller. This policy is strictly limited to restrictions on advertised price in marketing materials.

GUIDELINES

The MAP Policy Guidelines are applicable to all storefront, direct mail, and internet retailers. Authorized Kryptonite retailers advertising (internet, catalogue, billboards, television, radio, mass media, direct mail, email, etc.) any Kryptonite Products may not advertise Kryptonite Products at a price less than the applicable MAP, and may not advertise any discounts, rebates, credits, or similar price reduction that serves to reduce the net advertised price below MAP, whether any such reduction is expressed in terms of specific dollar amounts or more generally described as a reduction from MAP or the selling price. Retailers may also participate in Kryptonite specified promotional periods, if applicable. During these scheduled periods only, retailers may temporarily reduce their advertised prices to levels that are equal to or greater than those specified on the ‘Promotional’ price list.

MINIMUM ADVERTISED PRICES

For purposes of this MAP Policy, the MAP for Kryptonite Products shall be as set forth in Exhibit A, as amended by Kryptonite from time to time in its sole discretion.

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PROMOTIONAL PERIODS

Kryptonite will offer two (2) Promotional Periods: May 15 – June 1; and August 15 – September 15. During each Promotional Period, the retailer may discount the Kryptonite Products up to 10% off of MAP. Kryptonite reserves the right to change, modify, or discontinue the Promotional Periods in its sole discretion.

ENFORCEMENT

Retailers violating the MAP Policy will be subject to the following, unless Kryptonite in its sole discretion chooses to take other action:

1. **First offense:** Retailer will be placed on the Do Not Ship list for a period of fifteen (15) days.
2. **Second offense:** Retailer will be placed on the Do Not Ship list for a period of forty-five (45) days.
3. **Third offense:** Retailer will be placed on the Do Not Ship list for a period of one (1) year.

In the event of a violation, Kryptonite reserves the right to terminate any and all rights and/or access that a retailer has to Kryptonite's intellectual property, including trademarks, logos, and copyrighted images. Kryptonite also reserves the right to suspend or terminate any distributor/wholesaler in the event that the distributor/wholesaler fails (intentionally or unintentionally) to comply with the Do Not Ship list.

GENERAL TERMS

1. Sales of any Kryptonite Products listed on the current Kryptonite wholesale price list through Internet auctions (such as eBay) are strictly prohibited.
2. Use of "See Price in Cart" and similar online functionality to indirectly advertise lower pricing is not permitted.
3. Authorized Kryptonite retailers may market, advertise, offer to sell, sell and/or fulfill orders of Kryptonite Products from the dealer's websites and catalogs in compliance with the MAP policy.
4. No customer may use, apply for or register any trademarks, company names or domain names that are identical or confusingly similar with Kryptonite's trademarks, product names or company names or any other intellectual property right identical or confusingly similar to Kryptonite IP, without Kryptonite's prior written consent.
5. Kryptonite Products purchased in the United States are intended for U.S. distribution only and may not be distributed or promoted outside of the United States territories.
6. The Map Policy applies to all retailers and wholesalers/distributors who sell Kryptonite Products (purchased either directly from Kryptonite or through a wholesaler/distributor).
7. Kryptonite will provide its retailers with its MSRP and Minimum Advertised Price List for Kryptonite Products on an annual basis or as prices change. Retailers will be notified at least 30 days prior to any changes in Kryptonite price list and or MAP Policy and must have websites and other advertisements in compliance by the price list effective date.
8. Kryptonite may, in its discretion, directly terminate, and may require its wholesalers/distributors to terminate, its agreements with, and any further shipments of Kryptonite Product to, any retailer and/or wholesaler/distributor who fails to comply with the MAP Policy and such termination shall be effective upon delivery of notice of termination to the retailer and/or wholesaler/distributor by Kryptonite.

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9. Kryptonite recognizes the retailer should retain some flexibility in the marketing and sale of Kryptonite Products, in order to reflect local conditions in retail practices, provided that such practices are within the MAP Policy. Accordingly each of the following constitute exceptions to the strict compliance with that policy: direct sales to employees of the retailers, sales made in connection with storewide loyalty programs, and closeouts (defined as products no longer listed for sale on the current Kryptonite wholesale price list).
10. UNDER NO CIRCUMSTANCES ARE KRYPTONITE EMPLOYEES, VENDORS, SUPPLIERS, OR SALES REPRESENTATIVES AUTHORIZED TO, NOR SHALL THEY, DISCUSS WITH ANY RETAILERS OR OTHER PERSONS THE SALES PRACTICES OF ANY RETAILER OR THE APPLICATION OF THE MAP POLICY TO ANY RETAILER. ANY QUESTIONS OR COMMENTS CONCERNING THE MAP POLICY MUST BE DIRECTED EXCLUSIVELY TO KRYPTONITE, ATTENTION: SALES PRESIDENT.
11. Kryptonite reserves the right to unilaterally modify, change or update its MAP Policy and Minimum Advertised Price List at any time.

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Exhibit A

U-locks

New York Ulock Series

Item name	item #	SIZE	2015 MAP
New York FAHGETTABOUDIT Lock	720018 997986	(3.25"x6") 18mm x 8.2cm x 15.3cm	\$102.95
New York Lock Std. w/ FlexFrame-U bracket	720018 000952	(4"x8") 16mm x 10.2cm x 20.3cm	\$92.95

Evolution Ulock Series

6.26lbs (2.84 kgs)

Item name	item #	SIZE	2015 MAP
Evolution Series 4 Std. w/ FlexFrame-U bracket	720018 001010	(4"x9") 14mm x 10.2cm x 22.9cm	\$69.95
Evolution LITE Mini-6 "NEW"	720018 001447	(2.75"x 6") 11mm x 7cm x 15.2cm	\$65.95
Evolution Mini-5 w/ FlexFrame-U bracket	720018 000983	(3.25"x5.5") 13mm x 8.2cm x 14cm	\$59.95
Evolution Mini-7 + 4' Flex w/ FlexFrame-U bracket	720018 000990	(3.25"x 7") 13mm x 8.2cm x 17.5cm	\$63.95
Evolution Mini-9 LS w/ FlexFrame-U bracket	720018 001003	(3.25"x9.5") 13mm x 8.2cm x 24.1cm	\$62.95

MESSENGER Collection

Item name	item #	SIZE	2015 MAP
MESSENGER Mini - "NEW"	720018 001638	3.75" x 6.5" (9.5cm x 16.5cm)	\$67.95
MESSENGER Mini + (MSGR Mini+extender) "NEW"	720018 001645	3.75" x 6.5" (9.5cm x 16.5cm) + Wheel Extend-R: 3.25"	\$76.95
"The Total Package= (MSGR Mini & WheelNutz m9) - "NEW"	720018 001652	3.75" x 6.5" (9.5cm x 16.5cm) + Solid Axle m9 Thread	\$85.95

KryptoLok Ulock Series

Item name	item #	SIZE	2015 MAP
KryptoLok Series 2 Std. w/ FlexFrame-U bracket	720018 001041	(4"x9") 13mm x 10.2cm x 22.9cm	\$40.95
KryptoLok Series 2 Std + 4' Flex w/FlexFrame-U bracket	720018 001072	(4"x9") 13mm x 10.2cm x 22.9cm	\$44.95
KryptoLok Series 2 ATB w/ FlexFrame-U bracket	720018 001065	(5" x 9") 13mm x 12.7cm x 22.9cm	\$41.95
KryptoLok Series 2 Mini-7 w/ FlexFrame-U bracket	720018 001034	(3.25"x 7") 13mm x 8.2cm x 17.5cm	\$38.95
KryptoLok Series 2 Mini-7 + 4' Flex w/FlexFrame-U bracket - "NEW"	720018 001683	(3.25"x 7") 13mm x 8.2cm x 17.5cm	\$42.95
KryptoLok Series 2 Mini-7 w/ FlexFrame-U bracket (COLOR-WHITE) - "NEW"	720018 001553	(3.25"x 7") 13mm x 8.2cm x 17.5cm	\$38.95
KryptoLok Series 2 Mini-7 w/ FlexFrame-U bracket (COLOR-MERLOT) - "NEW"	720018 001522	(3.25"x 7") 13mm x 8.2cm x 17.5cm	\$38.95
KryptoLok Series 2 Mini-7 w/ FlexFrame-U bracket (COLOR-LT.BLUE) - "NEW"	720018 001560	(3.25"x 7") 13mm x 8.2cm x 17.5cm	\$38.95
KryptoLok Series 2 Mini-7 w/ FlexFrame-U bracket (COLOR-LT.ORANGE) - "NEW"	720018 001577	(3.25"x 7") 13mm x 8.2cm x 17.5cm	\$38.95

Item name	item #	SIZE	2015 MAP
KryptoLok Combo Std. w/bracket	720018 110415	(4"x8") 13mm x 10.8cm x 20cm	\$42.95

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Chains

New York Chain Series

Item name	item #	SIZE	2015 MAP
New York Legend 1590 Chain w/NY PadLock - 3'	720018 999508	15mm RND x 90cm (3') - 16mm Shackle	\$168.95
New York Fahgettaboudit 1410 Chain w/NY Disc Lock - 3'3"	720018 999485	14mm Hex 100cm (3'3") - 15mm Shackle	\$129.95
New York Chain 1210 w/ EV series 4 Disc Lock - 3'3"	720018 999515	12mm Hex x 100cm (3'3") - 14mm Shackle	\$95.95
New York Noose 1275 w/ EV series 4 Disc Lock- 2'4"	720018 999539	12mm Hex x 75cm (2'4") - 14mm Shackle	\$88.95

MESSENGER Collection

Item name	item #	SIZE	2015 MAP
Evolution MESSENGER CHAIN & MOLY Padlock - "NEW"	720018 001669	9.5mm x 3' 3" (100cm)	\$76.95

Evolution Series 4 Chain

Item name	item #	SIZE	2015 MAP
Evolution Series 4 1055 MINI Integrated Chain 21" (55cm)	720018 000792	10mm Hex x 55cm (21")	\$64.95
Evolution Series 4 1090 Integrated Chain 35.5" (90cm)	720018 000808	10mm Hex x 90cm (35.5")	\$74.95

KryptoLok Series 2 Chain

Item name	item #	SIZE	2015 MAP
KryptoLok Series 2 955 MINI Integrated Chain 21" (55cm)	720018 000822	9.5mm Sqr. x 55cm (21")	\$45.95
KryptoLok Series 2 995 Integrated Chain - 37.5" (95cm)	720018 000839	9.5mm Sqr. x 95cm (37.5")	\$55.95

KryptoLok Series 2 Chain & Bag Combo

Item name	item #	SIZE	2015 MAP
KLS2 955 Mini Chain+TRANSPORT-R BAG COMBO SET - "NEW"	720018 001539	9.5mm Sqr. x 55cm (21")	\$68.95

Keeper Chain Series

Item name	item #	SIZE	2015 MAP
Keeper 785 Integrated Chain - 32" (85cm) (ALL BLACK)	720018 000853	7mm Sqr. x 85cm (32")	\$32.95
Keeper 785 Integrated Chain - 32" (85cm) -(COLOR-RED)-"NEW"	720018 001591	7mm Sqr. x 85cm (32")	\$32.95
Keeper 785 Integrated Chain - 32" (85cm) -(COLOR-GREY)-"NEW"	720018 001607	7mm Sqr. x 85cm (32")	\$32.95
Keeper 785 Integrated Chain - 32" (85cm)- (COLOR-PURPLE)-"NEW"	720018 001614	7mm Sqr. x 85cm (32")	\$32.95
Keeper 755 Integrated Chain - 21" (55cm) (ALL BLACK)-"NEW"	720018 001690	7mm Sqr. x 55cm (21")	\$27.95

Keeper Chain & Tube carrier Combo

Item name	item #	SIZE	2015 MAP
KEEPER 785 Chain+TUBE-R Carrier COMBO SET-"NEW"	720018 001546	9mm Sqr. x 55cm (21")	\$46.95

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Electronic

RealTime GPS

Item name	item #	SIZE	2015 MAP
Kryptonite RealTime GPS	720018 001256	20mm x 180cm (3/4"x6'),	\$395.95
Kryptonite RealTime GPS	720018 001416	20mm x 85cm (3/4"x30")	\$395.95