



Dear Valued Distributor,

At Apex Tool Group, LLC ("ATG"), we are committed to you and appreciate your loyalty and partnership.

To protect the integrity of our authorized distribution channels in the United States and our brands, ATG is implementing a U.S. Authorized Seller Program for the Crescent®, including H. K. Porter®, JOBOX®, Lufkin®, Nicholson®, and Wiss® (collectively "Crescent"), and GEARWRENCH® brands, effective November 1, 2024.

Among other benefits, our Authorized Seller Program will ensure that sellers of ATG products understand and take the steps necessary to ensure product quality and provide the excellent customer service integral to our brands' reputation. In addition, our Authorized Seller Program will assist us in identifying and taking action against unauthorized sellers harming you and your customers by selling damaged, diverted, or otherwise poor-quality products.

Your obligations under our new Authorized Seller Program are outlined in the **Apex Tool Group, LLC Authorized Distributor Policy for the United States**, attached for your review. You are expected to comply with the Authorized Distributor Policy to be an "Authorized Distributor" of our products. The key features of the Authorized Distributor Policy are noted below:

- **Permissible Customers:** ATG is committed to maintaining the integrity of its authorized distribution channels and to stopping the diversion of our products to unauthorized sellers. To this end, you may sell ATG products solely to end users and not to persons or entities who intend to resell ATG products.
- **Online Sales:** You may sell ATG products online through your own ecommerce website, provided that your website complies with Apex Tool Group, LLC Online Sales Guidelines. **You may not sell ATG products on any other website, including as a third-party seller on marketplace websites such as Amazon, eBay, or Walmart Marketplace, without prior written consent from ATG.** Our rules regarding online sales will be strictly enforced.
- **Ensuring Product Quality and Customer Satisfaction:** To ensure that the customers who purchase ATG products have the best experience possible, the Authorized Distributor Policy outlines our expectations for the service you will provide to your customers and describes specific steps you must take to maintain the quality of ATG products until they reach end users.

Finally, ATG has a unilateral Minimum Advertised Price Policy ("MAP Policy"), which applies to all authorized sellers of ATG products advertising to end users in the United States. Please note that ATG will soon revise its MAP Policy, and an updated MAP Policy will be sent prior to its effective date.

Thank you for your careful attention to the attached documents and your continued support of ATG, and the Crescent, and GEARWRENCH brands. If you have questions regarding the Authorized Distributor Policy or Authorized Seller Program, please contact your Sales Representative or email us at ATG-ResellerPolicy@ApexToolGroup.com.

Sincerely,

Apex Tool Group, LLC



APEX TOOL GROUP, LLC AUTHORIZED DISTRIBUTOR POLICY FOR THE UNITED STATES
Effective Date: November 1, 2024

This Apex Tool Group, LLC Authorized Distributor Policy for the United States ("Distributor Policy") is issued by Apex Tool Group, LLC ("ATG") and applies to Authorized Distributors of Crescent®, including H. K. Porter®, JOBOX®, Lufkin®, Nicholson®, and Wiss® (collectively, "Crescent") and GEARWRENCH® branded products ("Product(s)") in the United States of America. By purchasing Products from ATG for retail sale, you ("Distributor") agree to adhere to the following terms. This Distributor Policy supplements any then-current distributor agreement between you and ATG and supersedes the Internet Distributor Policy and Internet Brand Integrity Policy. Until such status is otherwise revoked by ATG, in ATG's sole and absolute discretion, Distributor shall be considered an "Authorized Distributor." ATG may review Distributor's activities for compliance with this Distributor Policy, and Distributor agrees to cooperate with any such investigation, including, but not limited to, permitting inspection of Distributor's facilities and records related to the sale of the Products.

1. **Authorized Customers.** Distributor is authorized to sell Products only to End Users in the United States. An "End User" is any purchaser of the Products who is the ultimate user of the Products and who does not intend to resell the Products to any third party. Distributor shall not sell or transfer Products to any person or entity Distributor knows or has reason to know intends to resell the Products. Distributor shall not sell, ship, or promote the Products outside the United States of America without ATG's prior written consent.

2. **Online Sales.**

(a) Distributor is authorized to offer for sale and sell Products through Permissible Public Websites in accordance with the terms herein. A "Permissible Public Website" is a website or mobile application that:

- (i) is operated by Distributor in Distributor's legal name or registered fictitious name;
- (ii) is not a third-party storefront on an online marketplace (including but not limited to, Amazon, eBay, and Walmart Marketplace); and
- (iii) is operated in compliance with the Apex Tool Group, LLC Online Sales Guidelines, attached as Exhibit A, as ATG may amend from time to time.

(b) **Distributor shall not offer for sale or sell Products on or through any website, online marketplace, mobile application, or other online forum other than a Permissible Public Website without the prior written consent of ATG.**

(c) ATG reserves the right to terminate, at any time and in its sole discretion, its approval for Distributor to offer for sale and sell Products on the Permissible Public Websites, and Distributor must cease all such offering for sale and sales on the Permissible Public Websites immediately upon notice of such termination. The terms of this Distributor Policy supersede any prior agreement between ATG and Distributor regarding the sale of the Products online. Any authorization previously granted to Distributor by ATG to sell the Products on or through a website, mobile application, or other online forum is revoked.

3. **Sales Practices.** Distributor 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. Distributor shall not make any warranties or representations concerning the Products except as expressly authorized by ATG. Distributor shall comply with all applicable laws, rules, regulations, and policies (a) applicable to Distributor's business and/or (b) related to the marketing and sale of the Products. Distributor shall represent the Products in a professional manner and refrain from any conduct that is or could be detrimental to the reputation of ATG or the Products.

4. **Product Care, Customer Service, and Other Quality Controls.** Distributor shall comply with the Apex Tool Group, LLC Product Care, Customer Service, and Other Quality Controls, attached as Exhibit B, as ATG may amend from time to time.

5. **Intellectual Property.**

(a) Distributor acknowledges and agrees that ATG or its licensors own all proprietary rights in and to the Crescent and GEARWRENCH brands, names, logos, trademarks, service marks, trade dress, copyrights, and other intellectual property related to the Products (the "ATG IP"). Distributor is granted a limited, non-exclusive, non-transferable, revocable license to use the ATG IP solely for purposes of marketing and selling the Products as set forth herein. This license will cease upon termination

of Distributor's status as an Authorized Distributor. All goodwill arising from Distributor's use of the ATG IP shall inure solely to the benefit of ATG or its licensors.

(b) Distributor's use of the ATG IP shall be in accordance with any guidelines that may be provided by ATG from time to time, including those available at <https://www.apextoolgroup.com/reseller-policies>, and must be commercially reasonable as to the size, placement, and other manners of use. ATG reserves the right to review and approve, in its sole discretion, Distributor's use or intended use of the ATG IP at any time, without limitation. In marketing the Products, Distributor shall only use images of Products either supplied by or authorized by ATG and shall ensure that all Product images and descriptions are accurate and up to date. Distributor shall not modify or alter any ATG IP in any way without prior written approval from ATG.

(c) Distributor shall not create, register, or use any domain name, social media screenname, or mobile application name that contains any Product name or any trademark owned by or licensed to ATG, nor a misspelling or confusingly similar variation of any Product name or any trademark owned by or licensed to ATG. ATG's marks, logos, images, and artwork may not be used in social media usernames, handles, or similar aspects for the Distributor's social media accounts.

6. **Termination.** ATG may terminate Distributor's status as an Authorized Distributor with written or electronic notice. Upon termination of Distributor's status as an Authorized Distributor, Distributor shall immediately cease (i) selling the Products; (ii) acting in any manner that may reasonably give the impression that Distributor is an Authorized Distributor of the Products or has any affiliation whatsoever with ATG; and (iii) using all ATG IP.

7. **Modification.** ATG may amend this Distributor Policy at any time. Unless otherwise provided, such amendments will take effect immediately, and Distributor's continued use, advertising, offering for sale, or sale of the Products, use of the ATG IP, or use of any other information or materials provided by ATG to Distributor will be deemed Distributor's acceptance of the amendments.

EXHIBIT A

APEX TOOL GROUP, LLC ONLINE SALES GUIDELINES

1. The Permissible Public Websites must not give the appearance that they are operated by ATG or any party other than Distributor.
2. Anonymous sales are prohibited. Distributor's full legal name or registered fictitious name, mailing address, email address, and telephone contact must be stated conspicuously on the Permissible Public Websites and must be included with any shipment of Products from the Permissible Public Websites or in an order confirmation email sent at the time of purchase.
3. At ATG's request, Distributor will reasonably cooperate in demonstrating and/or providing access to, and copies of, all web pages that comprise the Permissible Public Websites.
4. The Permissible Public Websites shall have a mechanism for receiving customer feedback, and Distributor shall use reasonable efforts to address all customer feedback and inquiries received in a timely manner. Distributor agrees to provide copies of any information related to customer feedback (including any responses to customers) related to Distributor's sale of the Products to ATG for review upon request. Distributor agrees to cooperate with ATG in the investigation of any negative online review associated with Distributor's sale of the Products and to use reasonable efforts to resolve any such reviews. Distributor shall maintain all records related to customer feedback for at least one (1) year following the creation or submission of such a record, to the extent legally permitted. Nothing in this paragraph shall be construed to require Distributor to disclose identifying information about its customers to ATG.
5. The Permissible Public Websites shall comply with all applicable privacy, accessibility, and data security laws, regulations, and industry standards.
6. Distributor shall be responsible for all fulfillment to its customers who order Products through Permissible Public Websites, any applicable taxes associated with such purchases of Products, and any returns of Products.
7. Except where Distributor has entered into a drop-shipment arrangement with ATG whereby ATG ships Products on Distributor's behalf to customers who order Products through Permissible Public Websites, under no circumstances shall Distributor permit orders to be fulfilled in any way that results in the shipped Product coming from stock other than Distributor's.
8. Product identification must contain the proper description and ATG model number. Distributor's own part numbers are acceptable if they are consistent with ATG Product specifications. Distributor cannot circumvent this requirement by implementing its own part numbers or part numbering schemes.

EXHIBIT B

**APEX TOOL GROUP, LLC
PRODUCT CARE, CUSTOMER SERVICE, AND OTHER QUALITY CONTROLS**

1. Comply with all instructions provided by ATG regarding the storage, handling, shipping, disposal, or other aspect of the Products, including instructions provided on Product labels. Store Products in a cool, dry place, away from direct sunlight.
2. Sell Products in their original packaging. Relabeling, repackaging (including the separation of bundled Products or the bundling of Products), and other alterations to Products or their packaging are not permitted.
3. Do not remove, translate, or modify the contents of any label or literature on or accompanying the Products. 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 advertise or resell as “new” any Product that has been returned opened or repackaged.
5. 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 and promptly report the Defect to your ATG sales representative.
6. Be familiar with the special features of all Products marketed for sale and obtain sufficient Product knowledge to advise customers on the selection, fit, 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 of the Products and respond to customer inquiries promptly.
7. Ensure that any third-party logistics provider engaged to store inventory of or fulfill orders for the Products is aware of and complies with all Product quality controls and customer service standards described herein or otherwise conveyed by ATG. Ensure that any such third-party logistics provider stores all inventory of Products segregated by seller such that no Products provided to the third-party logistics provider are commingled with those owned by any third party. ATG reserves the right to request additional information regarding the use of third-party logistics providers and such information must be provided promptly to ATG. Cooperate with ATG in investigating any concerns related to the Products that may relate to the use of a third-party logistics provider.
8. Cooperate with ATG with respect to any Product tracking systems that may be implemented from time to time.
9. Cooperate with ATG with respect to any Product recall or other consumer safety information dissemination efforts.
10. Implement commercially reasonable loss prevention and anti-diversion measures. Notify ATG promptly in the event of a theft or other loss of a material quantity of Products.
11. Report to ATG any customer complaint or adverse claim regarding the Products and assist ATG in investigating any such complaints or adverse claims.
12. Cooperate with ATG in the investigation and resolution of any quality or customer service issues related to the sale of the Products, including disclosing information regarding Product sources, shipment, and handling.