



Dear Valued Co-op Wholesaler,

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 Wholesaler Policy for the United States**, which is attached for your review. You are expected to comply with the Authorized Wholesaler Policy to be an "Authorized Wholesaler" of our products. The key features of the Authorized Wholesaler Policy are noted below:

- **Permissible Customers:** You may sell ATG products only to customers who are classified as "Authorized Resellers." To become and remain an Authorized Reseller, your customers will be required to abide by the **Apex Tool Group, LLC Authorized Reseller Policy for the United States**. **To this end, we ask that you provide the attached "Authorized Reseller Packet" to your customers as soon as possible and to any new accounts in the future.** This packet contains: (1) a letter to your customers describing the Authorized Reseller Policy and the purposes of our Authorized Seller Program; and (2) the Authorized Reseller Policy.
 - *As part of our auditing process, we may request point-of-sale data from you from time to time. Please note that the Authorized Wholesaler Policy requires—and we appreciate—your cooperation in providing these reports.*
- **Sales to End Users:** We understand that your business model also includes the advertising and sale of products to end-user consumers. **While the Authorized Wholesaler Policy prohibits sales to End Users without our consent, this letter constitutes our consent for you to continue those sales through your Permissible Public Website (as defined in the next paragraph).**
- **Online Sales:** The Authorized Wholesaler Policy permits—and we encourage—wholesalers to use online order portals to facilitate orders from Authorized Reseller customers, as long as those portals require the customer to obtain an account and log in to view product listings and pricing information. **While the Authorized Wholesaler Policy states that Wholesalers may not sell to end users through online platforms (including direct-to-consumer ecommerce websites and online marketplaces such as Amazon, eBay, and Walmart Marketplace), we grant our consent through this letter for you to sell our products through your own proprietary direct-to-consumer website ("Permissible Public Website"), subject to the attached Online Sales Guidelines.** Sales on online marketplaces remain strictly prohibited, without prior written consent from ATG.
- **Ensuring Product Quality and Customer Satisfaction:** To ensure that the customers who purchase ATG products have the best experience possible, the Authorized Wholesaler 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 Wholesaler 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 ONLINE SALES GUIDELINES

1. The Permissible Public Websites must not give the appearance that they are operated by ATG or any party other than Wholesaler.
2. Anonymous sales are prohibited. Wholesaler'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, Wholesaler 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 Wholesaler shall use reasonable efforts to address all customer feedback and inquiries received in a timely manner. Wholesaler agrees to provide copies of any information related to customer feedback (including any responses to customers) related to Wholesaler's sale of the Products to ATG for review upon request. Wholesaler agrees to cooperate with ATG in the investigation of any negative online review associated with Wholesaler's sale of the Products and to use reasonable efforts to resolve any such reviews. Wholesaler 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 Wholesaler 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. Wholesaler 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 Wholesaler has entered into a drop-shipment arrangement with ATG whereby ATG ships Products on Wholesaler's behalf to customers who order Products through Permissible Public Websites, under no circumstances shall Wholesaler permit orders to be fulfilled in any way that results in the shipped Product coming from stock other than Wholesaler's.
8. Product identification must contain the proper description and ATG model number. Wholesaler's own part numbers are acceptable if they are consistent with ATG Product specifications. Wholesaler cannot circumvent this requirement by implementing its own part numbers or part numbering schemes.



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

This Apex Tool Group, LLC Authorized Wholesaler Policy for the United States ("Wholesaler Policy") is issued by Apex Tool Group, LLC ("ATG") and applies to Authorized Wholesalers 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 distribution to Authorized Resellers (as defined below), you ("Wholesaler") agree to adhere to the following terms. This Wholesaler Policy supplements any then-current wholesaler or distribution 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, Wholesaler shall be considered an "Authorized Wholesaler." ATG may review Wholesaler's activities for compliance with this Wholesaler Policy, and Wholesaler agrees to cooperate with any such investigation, including, but not limited to, permitting inspection of Wholesaler's facilities and records related to the sale of the Products.

1. Authorized Customers.

(a) Wholesaler is authorized to sell Products purchased from ATG only to Authorized Resellers in the United States. An "Authorized Reseller" is an individual or business entity that:

- (i) purchases Products from ATG or an ATG Authorized Wholesaler and resells the Products as part of a commercial enterprise;
- (ii) has received and abides by the Apex Tool Group, LLC Authorized Reseller Policy for the United States ("Reseller Policy"); and
- (iii) has not had its Authorized Reseller status revoked by ATG or been identified by ATG as ineligible to become an Authorized Reseller.

(b) If any customer or prospective customer of Wholesaler is not yet an Authorized Reseller, Wholesaler shall immediately provide the Reseller Policy to such customer/prospective customer. If such customer/prospective customer accepts the terms in the Reseller Policy, Wholesaler may thereafter sell Products to such customer, which shall thereafter be an Authorized Reseller unless and until ATG revokes such status. Authorized Resellers are determined by ATG in its sole discretion.

(c) Notwithstanding anything to the contrary in this Wholesaler Policy, Wholesaler shall not supply, transfer, or sell Products to any entity that operates a third-party marketplace platform and also acts as a retailer on its platform, including, but not limited to, Amazon, Target, Walmart, or similar platforms (i.e., no 1P sales).

(d) Wholesaler shall not sell Products to End Users without ATG's prior written consent. 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.

(e) Wholesaler shall cease or suspend sales to any customer promptly upon request of ATG.

(f) Wholesaler shall not sell, ship, or promote the Products outside of the United States of America or to anyone Wholesaler knows or has reason to know intends to sell, ship, or promote the Products outside of the United States of America without ATG's prior written consent.

(g) Wholesaler shall distribute policies, updates to policies, Product information, educational materials, and other information to its Authorized Reseller customers as requested by ATG from time to time.

2. Online Sales. Wholesaler shall not offer for sale or sell the Products on or through any Publicly Accessible Website without the prior written consent of ATG.

(a) A "Publicly Accessible Website" is a website, online marketplace, mobile application, or other online forum that advertises Products or offers Products for sale and displays Product pricing information in a location that can be viewed by a prospective customer without creating an account and logging in.

(b) **All third-party online marketplace websites (including, but not limited to, Amazon, eBay, and Walmart Marketplace) are Publicly Accessible Websites. Sales on these websites are prohibited without ATG's prior written consent.**

(c) A website operated by Wholesaler to facilitate orders from Authorized Resellers that requires the Authorized Reseller to obtain an account and log in to view Product listings and pricing information is not considered a Publicly Accessible Website.

(d) The terms of this Wholesaler Policy supersede any prior agreement between ATG and Wholesaler regarding the sale of the Products online. Any authorization previously granted to Wholesaler by ATG to sell the Products on or through a Publicly Accessible Website is hereby revoked.

3. **Sales Practices.** Wholesaler 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. Wholesaler shall not make any warranties or representations concerning the Products except as expressly authorized by ATG. Wholesaler shall comply with all applicable laws, rules, regulations, and policies (a) applicable to Wholesaler's business and/or (b) related to the marketing and sale of the Products. Wholesaler 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. Wholesaler shall not advertise Products not carried in inventory.

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

5. **Point-of-Sale Data Reports.** ATG reserves the right to require Wholesaler to provide point-of-sale data reports ("POS Data") to ATG and/or other designated third-party data management organizations. If requested, POS Data must be in a form and format agreed upon by Wholesaler and ATG and be sufficiently detailed to permit ATG to determine the sales volume by Product, the Authorized Reseller to whom the Products were shipped, and ship-to location for the requested time period(s). Other reports may be requested by ATG on an as-needed basis. Wholesaler is not required to disclose any data that would be prohibited by any applicable law.

6. **Intellectual Property.**

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

(b) Wholesaler'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, Wholesaler's use or intended use of the ATG IP at any time, without limitation. In marketing the Products, Wholesaler 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. Wholesaler shall not modify or alter any ATG IP in any way without prior written approval from ATG.

(c) Wholesaler shall not create, register, or use any domain name, social media screen name, 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 Wholesaler's social media accounts.

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

8. **Modification.** ATG may amend this Wholesaler Policy at any time. Unless otherwise provided, such amendments will take effect immediately, and Wholesaler'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 Wholesaler will be deemed Wholesaler's acceptance of the amendments.

EXHIBIT A

**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.