

SK HAND TOOL, LLC

MINIMUM ADVERTISED PRICE POLICY

Effective November 1, 2017

SK Hand Tool, LLC ("**SK**") is a leading manufacturer of professional grade hand tools in the United States. We take pride in delivering industry leading quality, innovation, and performance through our products and believe it is important that resellers of our products commit a substantial amount of time and resources to learn, understand, support, and promote our products. Accordingly, **SK** has unilaterally implemented this Minimum Advertised Price Policy (the "Policy") to encourage authorized resellers ("Resellers") of **SK** product to invest the requisite time and energy into **SK**'s products, to remain competitive in the marketplace, to protect **SK**'s image and brand equity, and to ensure that the prices at which our products are advertised reflect the value and quality of those products.

1. Scope of this Policy

The **SK** products to which this Policy applies (the "Products") are listed on the document entitled "**SK** MAP Policy Products," the current version of which can be found at https://sktools.com/content/sktools/en_US/map-pricing-policy0.html. This Policy applies to all advertisement and promotion of the Products, including without limitation all websites, posters, coupons, mailers, newspapers, magazines, catalogs, television, radio, public signage, printed advertisements, social networks, banner ads, broadcast e-mails, landing pages, etc. **SK** reserves the right to modify the list of products to which this Policy applies at any time by updating the **SK** MAP Policy Price List. It is each Reseller's responsibility to check the **SK** MAP Policy Price List regularly and to know which Products are covered by this Policy.

Please note that **this Policy applies to all advertised prices** and not to the price at which the Product is actually sold to an end customer. Resellers are free to sell the Products at any prices they choose.

This Policy is administered unilaterally by **SK** and is non-negotiable. **SK** does not seek consultation with any Reseller and **SK** will not negotiate with or enter into an agreement with any Reseller regarding this Policy or regarding the prices at which the Reseller will sell the Products. Please note that **SK** employees and representatives are not authorized to discuss any aspect of this MAP Policy, including the meaning or interpretation of this Policy. All inquiries regarding this MAP Policy should be directed to the following email address: skmappricing@skhandtool.com

SK may modify this Policy at any time in its sole discretion and **SK** will enforce this Policy in its sole discretion. There are no third-party beneficiary rights to this Policy. **SK** has the right, but not the obligation, to occasionally monitor, review or audit Resellers' websites and advertisements for compliance with this Policy. Any failure by **SK** to require compliance with any provision of this Policy will not operate as a waiver to require strict compliance in the future.

2. Advertised Prices

Resellers cannot advertise or otherwise promote the Products at a net price lower than the **SK** published MAP price current at the time of the advertisement or promotion (such price is referred to in this Policy as the "MAP"). A list of current MAPs can be requested by emailing skmappricing@skhandtool.com. Please note the following additional information about advertising and promotion of the Products:

- Resellers are free to advertise the Products at any price equal to or higher than the MAP.
- Resellers may advertise that customers may contact the Reseller to learn the actual sale price, such as "call for a price" or "email for a price." For "email for a price," any response must be individualized and not an automated or auto-generated response.
- A price that can be seen on the reseller's website by the customer clicking on "add to shopping cart" or "click here to check out" functions of the website will be considered by **SK** to be the advertised price and is covered by this Policy. However, a price that can only be seen by a customer after the

customer has placed the item in his/her "virtual shopping cart" shall not be considered by SK to be an advertised priced.

- When shown on the same page, email or ad as the Products, promotional gift cards, instant rebates and other promotional activities that effectively lower the advertised price below the MAP are not permitted.
- Applicable taxes paid by the Reseller's customer will not be included as part of the MAP.
- The following actions by a Reseller will not be deemed to lower the effective advertised price of a Product covered by this Policy:
 - Bundled promotions where the individual product price cannot be ascertained.
 - Rebate programs;
 - Offering of free shipping; and
 - Offering of no-interest financing.
- It shall not be a violation of this MAP policy to advertise in general that the Reseller has "the lowest prices" or will match or beat its competitors' prices, or to use similar phrases; so long as the Reseller does not include any advertised price below MAP and otherwise complies with this MAP policy.
- **SK** reserves the right to offer manufacturer sponsored discounts and rebates. Advertising these promotional offers shall not be considered a violation of MAP policy, provided the advertisement includes a MAP-compliant price, the promotional or rebate offer amount and the net price after the manufacturers offer in the same type size and style.

3. Enforcement of this Policy

SK monitors the advertised prices of Resellers, either directly or via the use of third party agencies or tools. Resellers are expected to provide reasonable cooperation in any **SK** investigations regarding possible MAP policy violations. Hindering, obstructing, delaying, or otherwise failing to cooperate with a SK MAP policy investigation is a violation of this MAP policy.

Upon verification by **SK** to its satisfaction that the Reseller has advertised or promoted a Product at a net price less than the MAP, or has otherwise violated this policy, SK will take the following actions:

1. On the Reseller's first violation **SK** will issue a notice of violation to the Reseller by email. The Reseller will then have five (5) business days from the date of **SK's** notice to correct the violation and comply with this Policy.

If the Reseller does not correct the violation within the aforementioned five (5) business-day period, then **SK** will cease to fill and accept orders from the Reseller for the Product model that is subject to the violation for up to thirty (30) days from the date on the written notice of violation. If the violation is not corrected within fifteen (15) days from the date of **SK's** initial notice, then the Reseller will be deemed to have committed a second violation of this Policy and **SK** may proceed as described in paragraph 2, below. If the Reseller corrects the first violation within the fifteen (15) day period, but violates the policy again within six months, then **SK** will also proceed as described in paragraph 2, below.

2. On the Reseller's second violation within a six-month period, **SK** will issue a notice of the violation by email to the Reseller and **SK** will decide not to accept or fill any orders from reseller for a period of up to thirty (30) days from the date on the written notice of violation.

3. On the Reseller's third violation within a 12-month period, **SK** will issue a notice of violation by email to the reseller and **SK** will not accept or fill any orders from reseller for a period longer than 30 days or indefinitely, as determined by SK in its sole discretion.

If a reseller with multiple locations or online sites violates this MAP policy at any one location or associated site, then **SK** will consider this to be a violation by the reseller.

SK's MAP Policy Administrator is solely responsible for determining whether a violation of MAP policy has occurred, as well as determining final sanctions.

SK reserves the right to modify, change, or cancel this policy at any time.

SK appreciates your compliance with this Policy and thanks you for your continued support.