

STANLEY MASTERKEY CODE AND MASTERKEY SERVICE POLICY

10/22/2014

I. DISTRIBUTOR MASTERKEY SERVICES

All Stanley Authorized Distributors, Aftermarket Wholesalers, and Locksmiths (“Authorized Distributors”) can create, modify or extend masterkey codes for the benefit of their end user customers (“End Users”) for Stanley non-patented masterkey systems; provided, however, the services must be performed in line with industry standards. With the express written permission of Stanley, select Authorized Distributors can create, modify or extend masterkey codes for the benefit of End Users for a Stanley Patented Masterkey System (pursuant to the terms and conditions of Section C below). Authorized Distributor’s failure to comply with the terms of this policy could result in Stanley’s termination of its Distributor Agreement as well as Stanley’s pursuit of any remedies available at law.

A. END USER INFORMATION AND CODE RELEASE

All masterkey codes (both patented and non-patented) previously generated by Stanley are available for distribution to End Users (and/or their designated Authorized Distributor, if applicable) via the End User Web Portal at <http://customerservice.stanleysecuritysolutions.com/mcp/>. For a hard copy of the End User Information and Code Release Form, please contact your Stanley End User Consultant. End user codes will be distributed solely to those Authorized Distributors (a) identified by the End User on a fully executed End User Information and Code Release Form received by Stanley, and (b) for the release of Stanley Patented Masterkey Codes, the Authorized Distributor is authorized by Stanley to receive and process Stanley Patented Masterkey Codes (as more fully described in Section C below.) No exceptions will be made to this policy.

B. STANLEY NON-PATENTED MASTERKEY SYSTEM

Effective September 4, 2012 Stanley will no longer require a Security Authorization Form to be signed by the End User prior to Stanley and/or its Authorized Distributor accepting core and key orders for non-patented keying systems. All valid End User communications for orders related to non-patented keying systems will be fulfilled at the End User’s liability.

C. STANLEY PATENTED MASTERKEY SYSTEM

The Stanley Patented Masterkey System provides a higher level of protection against unauthorized key duplication and crossovers and, in order to maintain the quality of a Stanley Patented Masterkey System, the following terms and conditions of this policy shall apply to any and all Authorized Distributors with access to Stanley Patented Masterkey Systems. For the purpose of this policy, “Stanley Patented Product” shall mean the Stanley Best Cormax and the Stanley Best Peaks Preferred product line (including cores and keys), as well as any and all future product Stanley designates as patented product for the purpose of this policy. “Stanley Patented Masterkey Systems” and “Stanley Patented Masterkey Codes” shall mean the respective masterkey system or codes of any Stanley Patented Masterkey Product.

Sale of Stanley Patented Product: As further described in this Section C, only those Authorized Distributors meeting certain necessary qualifications and standards shall be selected by Stanley to sell Stanley Patented Product. Selection shall be at the sole discretion of Stanley and shall be evidenced in writing via the Distributor Agreement or its select addendums.

Stanley Patented Security Authorization Form: It is a responsibility of the Authorized Distributor to ensure that Stanley Patented Product does not end up in the possession of unauthorized individuals or entities. The Authorized Distributor must ensure that the End User completes a Stanley Patented Masterkey System Security Authorization Form (the “Security Authorization Form”) as outlined in this Section C. The Security Authorization Form designates those individuals within the End User’s organization that are authorized to place orders with the Authorized Distributor for Stanley Patented Product. The Security Authorization Form must be completed and signed by the End User.

It is the Authorized Distributor's full responsibility to validate the End User's signature as identified on the Security Authorization Form prior to accepting any orders for Stanley Patented Product.

In certain circumstances the Authorized Distributor selling the Stanley Patented Product will not contract directly with the End User. In these circumstances, the Authorized Distributor is required to work with its reseller to ultimately ensure that the End User submits a signed Security Authorization Form to Stanley.

Stanley shall have the right to audit all Security Authorization Forms maintained by the Authorized Distributors for completeness, accuracy and compliance with this Policy.

Sale of Combined Stanley Patented Product through Distributor: Stanley may authorize select Authorized Distributor to purchase and resell to an End User Stanley Patented Product that has been combined by Stanley Personnel. In this instance, a Security Authorization Form must be completed and signed by the End User and provided by the Authorized Distributor to Stanley with each Stanley Patented Product order.

Stocking and Sale of Stanley Patented Product: Stanley may authorize select Authorized Distributors to purchase and stock Stanley Patented Product and have access to Stanley Patented Masterkey Codes by entering into a Stanley Patented Masterkey System Distributor Agreement Addendum (the "Authorized Stocking Distributor") As a condition to the Authorized Stocking Distributor's continued access to Stanley Patented Masterkey Codes, it must comply at all times with the Stanley Patented Key Systems Security Procedure. In addition, it is the responsibility of the Authorized Stocking Distributor to ensure that they have a completed Security Authorization Form on file for each End User that places an order with the Authorized Stocking Distributor for Stanley Patented product and that the Authorized Stocking Distributor authenticates the signature of each Stanley Patented Product order utilizing the Security Authorization Form.

Stanley Patented Masterkey Code Generation: To assist in reducing the possibility of duplication within a keying system and ensure security, all Stanley Patented Masterkey Codes must be created, modified and/or extended by Stanley's masterkey personnel and/or an Authorized Stocking Distributor. The unauthorized duplication or release of Stanley Patented Masterkey Codes to non-authorized people or organizations, including, but not limited to, unauthorized distributors, wholesalers, private locksmiths, other lock manufacturers, architects, or contractors, is a violation of this policy as well as the infringement of patent rights and other intellectual property rights of Stanley. In addition to any other recourse available under law, the unauthorized release of Stanley Patented Masterkey Codes by any Authorized Stocking Distributor shall result in immediate termination.

Stanley Patented Masterkey System Exclusive Keyways: Upon request from an End User to release Stanley Patented Masterkey Codes previously generated by Stanley that are on an exclusive keyway, Stanley will send a notification to the End User reminding them that their patented codes are on an exclusive keyway. Stanley will provide a copy of this notice to the Authorized Stocking Distributor. Should Stanley approve an Authorized Stocking Distributor to establish a Stanley Patented Masterkey System on an exclusive keyway, the Authorized Stocking Distributor shall be required to sign a Stanley Patented Masterkey System Exclusive Keyway Addendum.

Copies of Stanley Patented Masterkey Codes: Stanley shall have a right to a copy of all Stanley Patented Masterkey Codes that have been originated, modified, extended or other maintained by the Authorized Stocking Distributor in the Stanley BESTCode system in order for Stanley to be able to provide continued support either directly, or indirectly, to the End User.

II. STANLEY MASTERKEY SERVICES

A. STANLEY MASTERKEY SERVICES PROVIDED TO DISTRIBUTOR:

Stanley, upon request and at its sole discretion, may provide select masterkey services to an Authorized Distributor for both non-patented masterkey systems and Stanley Patented Masterkey Systems. In order for an Authorized Distributor

to place an order for the extension of, or modification to, a masterkey system previously created or maintained by Stanley, the End User must have selected that Authorized Distributor as its authorized designee in the End User Information & Code Release Form received by Stanley. Complete keying instructions must be given before a Stanley order can be properly acknowledged with an estimated delivery date. Stanley reserves the right to charge for the service of a customized masterkey security solution with the purchase of a Stanley product. A masterkey service charge will be assessed for each order for cylinders or cores for use in non-Stanley manufactured locks for which Stanley has an equivalent product. Stanley Patented Masterkey System products shall not be provided without the associated masterkey services being provided by Stanley. All Masterkey Services provided by Stanley shall be subject to the terms and conditions of the Stanley Masterkey Service Order Acknowledgment which shall be provided upon acceptance of the order for Masterkey Services.

B. STANLEY BESTCODE:

Stanley may, in its sole discretion, make available its BESTCode masterkey code management tool to select Authorized Distributors that meet certain training and certification requirements. If offered, BESTCode will be made available for an annual subscription fee as outlined in the Stanley pricing catalog. All codes made available to Authorized Distributors in the BESTCode system shall be subject to the BESTCode User License Agreement and will be provided in accordance with this Policy. The BESTCode masterkey code management tool is not available for use with Stanley Commercial Hardware products.

III. FORMS

For a copy of the following forms please contact the Stanley End User Consultant.

- End User Information and Code Release Agreement
- Stanley Patented Masterkey System Distributor Agreement Addendum
- Stanley Patented Masterkey System Security Authorization Form
- Stanley Patented Key Systems Security Procedure
- Stanley Patented Masterkey System Exclusive Keyway Addendum

Stanley reserves the right to change, modify or update this Policy at any time, in its sole discretion.