

# Allegion Canada Inc.

## Quote Policy

Effective: January 1<sup>st</sup>, 2022

### Introduction

Allegion has a rich history for which our team members and Authorized Sellers can be proud. Allegion is known for its innovative security products and solutions, with brands that have established leadership positions in their markets and strong reputations for quality. Allegion team members work each and every day to generate demand and create value for our Authorized Sellers.

It is Allegion's responsibility and obligation to protect and grow that value. In furtherance of that obligation, Allegion, through its Allegion Canada Inc. wholly owned subsidiary ("Allegion"), has elected to implement a Quote Policy to govern the use of quotes issued by Allegion. This policy will help to ensure that quotes are utilized for the purposes intended and to otherwise position the Allegion products for success in a competitive marketplace for Allegion's and our Authorized Seller's benefit.

This Quote Policy shall apply to any and all existing quotes issued by Allegion.

### Guidelines

- For pricing outside of the Authorized Seller's pricing program established by Allegion, a quote must be obtained from an Allegion Regional Sales Office (RSO) that manages the respective market where the opportunity exists.
- If a quote is issued by Allegion, the quote shall only be used for the purpose and geographical location as stated in the quote.
- If a quote is issued by Allegion, the Authorized Seller may ship product in its own inventory for the quoted opportunity; however, an order must be immediately issued to restock the product shipped for the quoted opportunity prior to the expiration of the quote. Allegion will verify compliance by validating sales activity against quotes.
- All Quotes are subject to the Allegion Online Sales Application and Agreement.

## Enforcement

This Quote Policy shall be enforced by Allegion, in its sole discretion, as follows:

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<b>1<sup>st</sup> Violation</b>	<p>Formal notification given to Authorized Seller.</p> <p>Product line(s) in violation shall receive a reduced discount or will be removed from the unauthorized quote, or the unauthorized quote will be cancelled in its entirety.</p>
<b>2<sup>nd</sup> Violation</b>	<p>Formal notification given to Authorized Seller.</p> <p>At the discretion of Allegion, all quoting activity for an Authorized Seller that violates the Quote Policy a second time shall be suspended for a set period of time solely determined by Allegion.</p>
<b>3<sup>rd</sup> Violation</b>	<p>Formal notification given to Authorized Seller.</p> <p>At the discretion of Allegion, an Authorized Seller's third violation may result in a reduction of their Allegion buying program and/or other Allegion incentive programs.</p>
<b>4<sup>th</sup> Violation</b>	<p>Formal notification given to Authorized Seller.</p> <p>Access to Allegion brands shall be terminated and associated accounts shall be closed. In addition, Allegion reserves the right to invoice Authorized Seller for the difference between intended pricing versus the pricing utilized by the Authorized Seller. Payment shall be due within 30 days upon receipt of the invoice.</p> <p><b>Example 1:</b> For a project opportunity, if the intended project quoted discount is 50% and the authorized seller utilizes another quote with a 55% discount, the difference of the 5% shall be invoiced to the Authorized Seller.</p> <p><b>Example 2:</b> If a project was intended to be sold at Authorized Seller's buying program established by Allegion, and a quote was utilized by the Authorized Seller, the difference between the established pricing program and the quote price shall be invoiced to the Authorized Seller.</p>

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## General Terms

1. All quotes are subject to the terms and conditions stated in the quote.
2. All quotes are subject to change pursuant to this Policy or at any other time prior to Allegion's acceptance of a purchase order referencing the applicable quote number.
3. Under no circumstances are Allegion employees, contractors, or sales representatives authorized to, nor shall they, discuss with any Authorized Seller or other persons the sales practices of any Authorized Seller or the application of the Quote Policy to any Authorized Seller. Any questions or comments concerning the Quote Policy must be directed exclusively to your designated Allegion sales representative.
4. Allegion reserves the right to unilaterally modify, change, or update its Quote Policy at any time.