

BATTERIES PLUS®
FRANCHISE DISCLOSURE DOCUMENT

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BATTERIES PLUS, L.L.C.
A Wisconsin Limited Liability Company
1325 Walnut Ridge Drive
Hartland, WI 53029
(262) 912-3000
www.batteriesplus.com
www.batteriesplusbulbs.com

Batteries Plus, L.L.C. offers individual and multiple unit franchises for the operation of Batteries Plus® stores (“Stores”), selling batteries, light bulbs, and related items, and offering device repair and related services, to the retail consumer and commercial accounts.

The total investment necessary to begin operation of a Store is from \$221,679 to \$431,072. This includes \$164,032 to \$185,832 that must be paid to us or our affiliates. If you sign a Multiple Unit Franchise Agreement, you also must pay us \$15,000 for each Store you commit to develop.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Victor Daher, Director of Franchise Development, at 1325 Walnut Ridge Drive, Hartland, Wisconsin 53029, (262) 912-3000.

The terms of your contract will govern your franchise relationship. Don’t rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: March 28, 2022

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit D.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Batteries Plus business in my area?	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What’s it like to be a Batteries Plus franchisee?	Item 20 or Exhibit D lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchise *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor delegates. These items may be more expensive than similar items you could buy or own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from the franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit E.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risks be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration, and/or litigation only in Wisconsin. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate, arbitrate, or litigate with the franchisor in Wisconsin than in your own state.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

**NOTICE REQUIRED
BY
STATE OF MICHIGAN**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Law Building, Lansing, Michigan 48913, telephone (517) 373-7117.

THIS MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this disclosure document, “we” and “Batteries” means Batteries Plus, L.L.C., the franchisor. “You” means the person who buys the franchise. If a corporation, partnership or limited liability company buys a franchise, “you” also may refer to the shareholders of the corporation, partners of the partnership or members of the limited liability company.

The Franchisor

Batteries is a Wisconsin limited liability company formed on August 30, 1996. Our principal place of business is at 1325 Walnut Ridge Drive, Hartland, Wisconsin 53029; telephone number is (262) 912-3000. Our agents for service of process are disclosed in Exhibit E.

Our Business Experience and Parent

The first retail Batteries Plus® store opened in November 1988. We operate retail stores selling batteries, light bulbs and related items, and offering device repair and related services under the name “Batteries Plus” (“Stores”) and sell franchises for the operation of Batteries Plus® Stores. From 1988 through October 2012, all Stores were operated under the mark “Batteries Plus.” From October 2012 through March 2020, Stores operated under the mark “Batteries Plus Bulbs.” As of April 2020, all new Stores will operate under the “Batteries Plus” mark. All existing “Batteries Plus Bulbs” Stores will transition to “Batteries Plus” over time, but no deadline has been set. In this disclosure document, all references to “Batteries Plus® franchisees” or “Batteries Plus® Stores” also include franchisees and Stores operating under the mark “Batteries Plus Bulbs.”

As of December 31, 2021, we and our affiliates operated 112 Stores that are substantially similar to the franchised Stores. We have offered franchises for Batteries Plus® or Batteries Plus Bulbs® Stores since August 1996.

Square Brands International, LLC (“Square Brands”), a Wisconsin corporation, is the parent company of Batteries, and Batteries Plus Holding Corporation (“BP Holding”), a Georgia corporation, is the parent company of Square Brands. Square Brands and BP Holding share our principal business address.

On July 6, 2016, BP Holding was merged with and into BPB Acquisition Corp., with BP Holding surviving the merger and remaining a Georgia corporation (the “Transaction”). As a result of the Transaction, BP Holding is now controlled through affiliated companies by Freeman Spogli & Co. (“Freeman Spogli”), a private equity firm whose principal business offices are located at 11100 Santa Monica Boulevard, Suite 1900, Los Angeles, California 90025.

We have no predecessors required to be disclosed in this Item. Other than as described below, neither Batteries, nor any parent, affiliate or predecessor, has ever offered franchises for any other type of business.

Our Affiliates

Ascent Battery Supply, L.L.C., a Wisconsin limited liability company (“Ascent”), is our wholly-owned subsidiary and an affiliate that acquires batteries, light bulbs, key fob, device repair and other related products for redistribution to Batteries Plus® franchisees directly or through designated or approved third-party suppliers. Ascent’s principal business address is 6200 N. Baker Rd., Glendale, WI 53209 (see Item 8

for further discussion). We currently have no affiliates, other than Ascent, that provide products or services to our franchisees.

The following franchise programs are affiliated with us through Freeman Spogli:

FASTSIGNS International, Inc. (“FASTSIGNS”) franchises FASTSIGNS® centers that specialize in selling, marketing, producing, installing, and repairing visual communications (“Centers”). FASTSIGNS began franchising Centers in 1986. FASTSIGNS became part of the Freeman Spogli portfolio and our affiliate in March 2019 through an acquisition. FASTSIGNS’ principal place of business is 2542 Highlander Way, Carrollton, Texas 75006. As of December 31, 2021, there were 672 franchised Centers operating in the United States and 90 franchised Centers operating internationally.

GTN Capital Group, LLC (“GTN”) franchises NerdsToGo franchises, a technology repair and service business. GTN became part of the Freeman Spogli portfolio and our affiliate on September 9, 2020. GTN’s principal place of business is 2542 Highlander Way, Carrollton, Texas 75006. As of December 31, 2021, 31 franchised and one company-owned location are operating in the United States.

Suite Management Franchising, LLC (“SMF”) franchises My Salon Suite and Salon Plaza, which offer (i) turnkey salon suite studios and related services in a luxury environment where such salon professionals can provide health and beauty services to their respective clients (My Salon Suite); and (ii) turnkey salon suite studios and related services featuring upscale modern décor to salon professionals where such professionals can provide health and beauty services to their respective clients (“Salon Plaza”). SMF became part of the Freeman Spogli portfolio and our affiliate as of June 25, 2021. SMF’s principal place of business is 2542 Highlander Way, Carrollton, Texas 75006. As of December 31, 2021, 192 franchised locations and 30 company-owned locations were operating in the United States.

We have no other affiliates that offer franchises in any line of business, although Freeman Spogli has minority investments in companies that offer franchises.

Except as described above, we have no other parents, predecessors or affiliates that must be included in this Item.

Market and Competition

A Store will have an initial inventory of between 800 and 1,000 different types of batteries and other related products available for the customer for everything from ATVs to zambonis. In addition, a Store will have an initial inventory of between 400 and 600 different types of light bulbs. A Store also will offer device repair services, including the repair and replacement of screens and batteries in items such as smart phones, tablets and other electronic devices, and key fob repair and replacement services. The typical customer includes virtually any individual who needs batteries, light bulbs and related products for home or business. We operate a “Key Accounts Program” through which we and our franchisees can service commercial accounts operating through multiple unit locations. (See Item 12 for more information.)

Your competition in the market for batteries will include other retailers of automotive parts, accessories and supplies, including auto supply stores, department stores, discount stores and general merchandise stores, device repair stores, consumer electronics stores and other franchises offering different lines of batteries. The concept of having a one-stop battery store offering the consumer a complete line of batteries had not been previously developed until we started our concept. Your competition in the market for light bulbs will include other retailers of light bulbs, other lighting solutions and related products and supplies, including hardware stores, electrical supply businesses, lighting showrooms, department stores, discount stores and general merchandise stores. In most markets, the concept of having a one-stop light

bulb store offering the consumer a complete line of light bulbs is not well developed. Your competition in the market for device repair services will include other retailers and specialty repair businesses that offer device repair services, including cell phone stores, independent and franchised device repair stores and consumer electronics retail stores offering device repair services. The market for device repair services is growing and likely will become more competitive. Your competition in the market for key fob repair and replacement services will include other retailers, online retailers, automotive dealerships and locksmiths that offer key fob repair and replacement services. The market for key fob repair and replacement services is growing and likely will become more competitive.

Franchise Offered

If you are a Multiple Unit Franchisee, you will receive the exclusive right to open a certain number of Stores over a defined period of time in a defined area, as we determine, on the basis of the market potential and the size of the designated area. The term of your Multiple Unit Franchise Agreement generally will not be longer than 3 years and will require you to purchase or lease the approved location of the first Store within 3 months from the date of your Multiple Unit Franchise Agreement and open your first Store within 9 months from the date of your Multiple Unit Franchise Agreement and open your second Store within 15 to 24 months from the date of your Multiple Unit Franchise Agreement.

If you are an individual unit franchisee, you will receive the right to own and operate a Store at a location we approve, offering the products and services we approve and using our formats, designs, methods, specifications, standards, operating and marketing procedures and the “Licensed Marks” (as defined in Item 13) under a “Franchise Agreement” including “Batteries Plus” (the “System”).

Laws, Licenses and Permits

Aside from laws generally impacting the operation of retail businesses, you should be aware of zoning ordinances and regulations in your proposed territory. In certain areas of the country and affected municipalities, zoning ordinances and regulations may prohibit you from installing automobile batteries outside your Store.

Many states have enacted statutes that regulate the sale and disposal of batteries sold at your Store. All states prohibit retailers from discarding nickel cadmium (Ni-Cad) batteries, as they must be recycled. The laws covering Ni-Cad batteries specifically target dry cell Ni-Cad batteries. Some states have statutes that regulate the disposal of all rechargeable batteries. Some states have statutes that regulate the disposal of all primary and rechargeable batteries. Some states also have statutes that regulate the handling and recycling of certain light bulbs. You should check your state statutes to determine the measures you must take to comply with legislation in your state, as these laws change frequently. In addition, several states impose environmental taxes and/or environmental fees on nickel cadmium batteries, lead acid batteries and mercury containing light bulbs. Laws in all states require the collection of lead-acid batteries and most states have laws that require a point-of-sale notice, deposit or battery disposal fee for lead-acid batteries. State lead-acid battery laws were designed to remove automotive or starting, lighting and ignition (“SLI”) and sealed lead acid (“SLA”) batteries from the solid waste stream.

Batteries Plus® Stores are included in a category of businesses defined by the government as being waste “generators.” Subtitle C of the Resource Conservation and Recovery Act (RCRA) regulates hazardous waste generators. A “generator” is any person, or site, whose processes and actions create hazardous waste (see 40 CFR 260.10 located on ecfr.gov). Generators are divided into three categories (large, small, and conditionally exempt), based upon the quantity of waste they produce per month.

Each class of generator is obligated to comply with a varying number of requirements. See EPA site (epa.gov) for the Hazardous Waste Generator Regulatory Summary for details. For a list of guidance documents and resources, see the Additional Resources page.

All large & small quantity generators are required to: (1) obtain an EPA Identification number (available from your state environmental office); (2) comply with the manifest system; (3) handle wastes properly before shipment (packaging, labeling, marking, placarding, accumulation time, etc.); (4) comply with employee training requirements and (5) comply with record keeping and reporting requirements. (See also 40 CFR 262.)

Note that some states may have additional requirements for generators. You should contact your state environmental office if you are not familiar with the requirements that may apply to you.

Our recycling policies comply with the Rechargeable Battery Act (“Battery Act”) adopted in May 1996. The policies are disclosed in our Operations Manual. Our policies address proper handling, storage and disposal of universal waste batteries. You may only send waste batteries to an approved universal waste handler, or a destination facility. Our Operations Manual lists the potential approved battery consolidators and disposal facilities. You also should check your state and local authorities for a listing of battery consolidators and disposal facilities. The Battery Act pre-empts state law by automatically subjecting certain types of batteries to the Rule.

You will need to comply with regulations regarding the testing, packaging and shipping of all batteries, including recycled batteries. In addition, you must package all batteries for shipping to comply with specific government regulations. If you desire to offer a lithium battery pack that we have not tested, you must have that lithium battery pack tested and certified by an independent third party prior to sale.

You also must comply with various federal and state laws and regulations governing disposal or recycling of certain light bulbs and ballasts. Management and disposal by businesses of fluorescent light bulbs and other mercury-containing bulbs are federally regulated under the Resource Conservation and Recovery Act (RCRA) Universal Waste Rule (UWR) and Subtitle C hazardous waste regulations. In addition, many states have light bulb and ballast disposal regulations that are more stringent than federal requirements.

All fluorescent light bulbs and high discharge (HID) lamps contain mercury. When they are discarded, federal and state regulators assume that light bulbs are a hazardous waste. In most circumstances, waste light bulb generators, such as Batteries Plus® Stores, must manage, transport and dispose of light bulbs and some ballasts as a hazardous waste or comply with the more lenient Universal Waste Rule (UWR). The UWR provides streamlined regulations for the management and transportation of light bulbs and ballasts.

In some states, all mercury-added light bulbs are hazardous and must be recycled or disposed as a hazardous waste. Disposal regulations at the state level vary, but generally include more stringent regulations of light bulb disposal, for example in some states, all light bulbs with mercury are hazardous and must be recycled or disposed of as hazardous waste and allow for fewer exemptions under federal law. In most states, Batteries Plus® Stores can comply with state and federal rules regulating disposal of light bulbs and ballasts by complying with the streamlined Universal Waste Rule requirements and sending their light bulbs and ballasts for recycling.

Also, you must understand and comply with the Payment Card Industry (PCI) Data Security Standards: <https://www.pcisecuritystandards.org/>, including those standards. You also must comply with

all laws and regulations governing privacy and data protection, including (if applicable) the California Consumer Privacy Act (CCPA) and any similar data privacy laws in other states.

In providing authorized device repair services at your Store, you must understand and comply with various federal and state laws and regulations governing repair services, licensing, the handling of personal private information, including data security and other related consumer protection laws. Some states have statutes that regulate the handling and recycling of certain electronic waste. You should check your state statutes to determine the measures you must take to comply with legislation in your state, as these laws change frequently.

In providing authorized key fob services at your Store, you must understand and comply with various federal and state laws and regulations governing locksmith services and licensing requirements. You should check your state statutes to determine the measures you must take to comply with legislation in your state, as these laws change frequently.

Each Store must comply with these laws, and we urge you to become familiar with these and other laws and regulations governing the operation of a Store in your state. You also should check your state and local authorities to determine if there are additional requirements.

ITEM 2

BUSINESS EXPERIENCE

Chief Executive Officer: Scott K. Williams

Mr. Williams has been our Chief Executive Officer since January 2019. He was an independent consultant in Overland Park, Kansas, from October 2017 to December 2018. From October 2011 to September 2017, Mr. Williams held various positions with Cabela's, Inc., in Sidney, Nebraska, including that of President from February 2016 to September 2017.

President and Chief Operating Officer: Shawn Cushman

Mr. Cushman has held various positions at Batteries and its subsidiaries since August 1992, including that of President and Chief Operating Officer of Batteries since September 2018.

Chief Financial Officer: Peter Evans

Mr. Evans has been our Chief Financial Officer since April 2020. From December 2017 until April 2020, Mr. Evans was the Chief Financial Officer of Spreetail in Lincoln, Nebraska. From March 2015 to October 2017, Mr. Evans was Vice President Finance of Angie's List in Indianapolis, Indiana.

Chief Business Officer: Jon Sica

Mr. Sica has held various positions at Batteries since April 2019, including that of Chief Business Officer since October 2021. From January 2018 to March 2019, he was the Group Director, Business Operations of Whataburger Restaurants in San Antonio, Texas. Mr. Sica was employed by Cabela's Inc. in Sidney,

Nebraska, in various positions from March 2012 to December 2018, including that of Director of Strategy and Enterprise Portfolio from March 2016 to December 2018.

Chief Retail Officer: Craig McNair

Mr. McNair has been our Chief Retail Officer since November 2019. From January 2018 to November 2019, he was the Regional Vice President of Store Operations for Academy Sports & Outdoors in Katy, Texas.

Vice President and Chief Information Officer: Michael John Lehman

Mr. Lehman has held various positions at Batteries since January 2000, including that of Vice President and Chief Information Officer since 2004.

Vice President – Marketing: Cathleen Jacobson

Ms. Jacobson has been Vice President – Marketing at Batteries since July 2018. From January 2011 to June 2018, Ms. Jacobson held various positions with Bon-Ton Department Stores, Inc. in Milwaukee, Wisconsin, including that of Vice President Marketing, Media & Administration from June 2017 to June 2018.

Vice President, Category Management: Shawn Budiac

Mr. Budiac has held various positions at Batteries since December 2009, including that of Vice President, Category Management since November 2017.

Vice President, Company Stores: Derek Siddons

Mr. Siddons has held various positions at Batteries since August 2017, including that of Vice President, Company Stores since September 2018.

Vice President, Product Management: Danyelle Kukuk

Ms. Kukuk has held various positions at Batteries since May 2008, including that of Vice President, Product Management since November 2017.

Chief Technology Officer: Kranthi Kumar Reddy Malreddy

Mr. Malreddy held various positions at Batteries since July 2006, including that of Chief Technology Officer since July 2020.

Vice President, Supply Chain and Logistics: James M. O’Neil

Mr. O’Neil has been our Vice President, Supply Chain and Logistics since April 2018. From May 2005 to April 2018, he was the Division Vice President of Spectrum Brands, Inc. in Madison, Wisconsin.

Chief Retail Growth Officer: Kirtis Hill

Mr. Hill has held various positions at Batteries since June 2019, including that of Chief Retail Growth Officer since March 2021. From July 2017 to June 2019, he was the Director, Strategy and PMO for Whataburger in San Antonio, Texas.

Vice President – Commercial Sales: Scott O’Farrell

Mr. O’Farrell has been our Vice President – Commercial Sales since June 2019. From September 2018 to June 2019, he was the Vice President of Sales for TrackX in Denver, Colorado. From January 2015 to January 2018, he was the Vice President of Sales – Commercial for Cabela’s Inc./Bass Pro Shops in Sidney, Nebraska.

Vice President Franchise Development and Relations: Joseph Malmuth, CFE

Mr. Malmuth has held various positions at Batteries since May 2020, including that of Vice President Franchise Development since March 2021. From March 2019 through April 2020, Mr. Malmuth was the DVP of Franchise Relations for Now Optics, LLC in Palm Springs, Florida. Mr. Malmuth was employed by United Franchise Group, from March 2013 through March 2019, including that of Regional Vice President of the Carolinas in Charlotte, North Carolina from June 2017 to March 2019.

Chief Marketing and Merchandising Officer: Derek Detenber

Mr. Detenber has been our Chief Marketing and Merchandising Officer since February 2022. From May 2018 to October 2021, Mr. Detenber was the Chief Marketing Officer for Craft Revolution, LLC dba Artisanal Brewing Ventures in Charlotte, North Carolina. From April 2015 to May 2018, he was Senior Vice President of Massage Envy Franchising, LLC in Scottsdale, Arizona.

Director of Franchise Relations: Scott Buchalter

Mr. Buchalter has served as our Director of Franchise Relations since January 2022. From March 1999 through April 2020, Mr. Buchalter was employed by Wyndham Hotel Group or its affiliates in Parsippany, New Jersey, including as Vice President, Brand Operations from May 2018 until April 2020 and Brand Leader of Knights Inn Hotels from November 2016 through April 2018.

Real Estate Project Manager: Jason Edward Moss

Mr. Moss has been our Real Estate Project Manager since November 2019. From April 2017 to November 2019, Mr. Moss was the Real Estate Environmental Hazards Project Manager for R&R Environmental in Sandy, Utah.

Executive Advisor and Director: Thomas O’Hare

Mr. O’Hare has been our Executive Advisor since January 2019 and a director of Batteries since 2007. Since October 2019, Mr. O’Hare has been the Chief Operating Officer for Lynx Franchising and their franchise brands in Atlanta, Georgia. Mr. O’Hare previously held various positions at Batteries from October 2005 to January 2019, including that of Interim Chief Executive Officer from September 2018 to January 2019.

Director of Franchise Development: Victor Daher

Mr. Daher has been our Director of Franchise Development since December 2019. From January 2015 to December 2019, Mr. Daher held various positions at United Franchise Group in West Palm Beach, Florida, including that of Regional Vice President from January 2017 to December 2019.

Associate Director of Franchise Development: Brandon Mangual

Mr. Mangual has been our Associate Director of Franchise Development since January 2019. Before that, Mr. Mangual held various positions at United Franchise Group in West Palm Beach, Florida, from January 2016 to January 2019, including that of Regional Manager from February 2018 to January 2019.

ITEM 3
LITIGATION

Concluded Litigation

Columbia Sportswear Company v. Batteries Plus, L.L.C. et al. (Oregon Circuit Court for Multnomah County, Case No. 1201-01147). In January 2012, Columbia Sportswear Company (“Columbia”), an Oregon-based company, brought suit against us and a Batteries Plus® franchisee (“Franchisee”), alleging breach of warranty and breach of contract arising out of the Franchisee’s sale of batteries to Columbia, which were sourced through the Batteries Plus® supply chain program. Columbia alleged that the batteries sold to it were defective and that we also were liable because the Franchisee allegedly was our agent and that we sourced the products sold to Columbia, approved the sale of custom products to Columbia and authorized and directed the Franchisee’s activities. Columbia sought \$1,900,000 in direct damages and consequential damages in an unspecified amount. In August 2012, Franchisee and we settled the case with Columbia. Under the terms of the settlement agreement, Franchisee and we agreed to pay Columbia \$1,400,000 in exchange for a general release of claims. Additionally, we retained the right to seek indemnification claims against the manufacturer of the products.

Other than these actions, no litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5
INITIAL FEES

We offer an individual unit franchise and territory development rights under a multiple unit franchise. The “Initial Franchise Fee” for an individual unit franchise is \$44,500 for each Store. The Initial Franchise Fee is due when you sign the Franchise Agreement and is not refundable under any circumstances.

If you sign a Multiple Unit Franchise Agreement, the “Multiple Unit Territory Fee” is \$15,000 for each Store you agree to establish under the “Development Schedule” described in the Multiple Unit Franchise Agreement. The Multiple Unit Territory Fee that you pay for each Store will be credited against the applicable Initial Franchise Fee for that Store. The Multiple Unit Territory Fee and the Initial Franchise Fee must be paid in certified funds or by wire transfer and are not refundable under any circumstances. Under the Multiple Unit Franchise Agreement, the Initial Franchise Fee for the first Store is \$44,500, the Initial Franchise Fee for the second Store is \$39,000, the Initial Franchise Fee for the third Store is \$34,000, and the Initial Franchise Fee for the fourth and subsequent Store is \$29,000. The Multiple Unit Territory Fee and the Initial Franchise Fee for the first Store is due when you sign the Multiple Unit Franchise

Agreement. The balance of the Initial Franchise Fee for each of the second and subsequent Stores will be due when you deliver the complete site report for each Store or 9 months before you must open that Store under the Development Schedule, whichever occurred first. Below is a summary of the fees due to us under a single Store Franchise Agreement or 2 to 4 Stores under a Multiple Unit Franchise Agreement:

	Single Store	Two Store Program	Three Store Program	Four Store Program
Initial Franchise Fee – Store 1	\$44,500	\$44,500	\$44,500	\$44,500
Initial Franchise Fee – Store 2	NA	\$39,000	\$39,000	\$39,000
Initial Franchise Fee – Store 3	NA	NA	\$34,000	\$34,000
Initial Franchise Fee – Store 4	NA	NA	NA	\$29,000
Multiple Unit Territory Fee Credit (Towards Future Initial Franchise Fees)	NA	\$15,000	\$30,000	\$45,000
Due at Signing of the Initial Franchise Agreement (and Multiple Unit Franchise Agreement, if Applicable)	\$44,500	\$59,500	\$74,500	\$89,500
Balance Due (Per Store) at the Earlier of: (a) Delivery of Completed Site Report; or (b) 9 Months Before you Must Open the Store	NA	\$24,000	\$24,000 for 2 nd store \$19,000 for 3 rd store	\$24,000 for 2 nd store \$19,000 for 3 rd store \$14,000 for 4 th Store

We currently offer veterans who were honorably discharged, active and retired firefighters, police officers, EMT/paramedics, and nurses a \$10,000 discount off the Initial Franchise Fee for the first Store.

We also offer existing franchisees who have been operating a Store for a minimum of 24 months, and who are in good standing under their Franchise Agreement(s), the opportunity to enter into a Franchise Agreement for an additional Store for a discounted Initial Franchise Fee of \$15,000; provided that they open the Store within 9 months following the date of the Franchise Agreement. A franchisee that pays a discounted fee under these circumstances would not be eligible for an extension of their opening date.

In addition to the Initial Franchise Fee, you will pay us a “Retail Management System” access and development fee that includes access to the designated software, and licenses for the store web security software, network Retail Management System connectivity fee, and anti-virus software protection. (See “Retail Management System” under Items 7 and 11 for further information.) The Retail Management System access and development fee and related expenses that you currently must pay us is \$29,832. You also must pay us a fee of \$10,000 for access to the “Omni-Channel Program.” We may waive this fee upon renewal for certain franchisees who had signed a Franchise Agreement by March 15, 2015. The Omni-Channel Program is designed to promote the sale of products and services through one or more electronic channels of distribution. You must pay the then-current amount of these fees on or before the date you open your Store for business. These fees are not refundable under any circumstances.

Franchisees purchase most of the initial inventory of batteries, light bulbs and related products, and device repair products from Ascent (although such products may be available from other sources). The inventory costs for items you purchase from Ascent range from \$53,200 to \$64,000. Separately, you must pay Ascent approximately \$3,000 to \$5,000 for certain Store signage, point of purchase materials, supplies and related items. Finally, you must purchase some of your equipment from Ascent. The equipment costs will range from approximately \$10,500 to \$12,500.

In addition, you must pay a non-refundable New Store Marketing Campaign contribution ranging from \$13,000 to \$20,000 depending on the Designated Market Area (“DMA”) where your Store is located (as published by The Nielsen Company). If your Store is located in one of the top 70 DMAs, you must pay a New Store Marketing Campaign contribution equal to \$20,000. If your Store is located in the 71st to 140th DMA, you must pay a New Store Marketing Campaign contribution equal to \$15,000. If your Store is located in any of the other DMAs not referenced above, you must pay a New Store Marketing Campaign contribution equal to \$13,000. You pay this contribution to us and to our designated vendors, as we direct. The New Store Marketing Campaign contribution will be due as we direct, beginning before you open your Store and continuing for up to 180 days following Store opening. We and the vendor will use the New Store Marketing Campaign contribution to conduct local Store opening promotions in your market.

ITEM 6

OTHER FEES

Type of Fee	Amount (See Note 1)	Due Date	Remarks
Royalty and Service Fee	5% of total Net Revenues on all products and services (See Note 3)	Payable monthly by electronic funds transfer on or before the 10 th day of the month following month in which sales were made.	See Note 2
Income and Sales Taxes	We may collect from you the cost of all taxes arising from our licensing of intellectual property to you in the state where your Store is located, as well as any assessment on fees and any other income we receive from you.	Payable monthly by electronic funds transfer at same time as royalty and service fee.	Only imposed if state collects these taxes or assessments
National Marketing and Promotional Fee	1% of total Net Revenues	Payable by electronic funds transfer at same time as royalty and service fee.	Used for national marketing and promotional activities. See Item 11
Digital Marketing Program Contribution	Up to the greater of 3% of Net Revenue or the “Minimum Store Promotion Requirement.” (See Note 4)	Payable by electronic funds transfer at the same time as royalty and service fee.	See Note 4 See Item 11
Advertising/Marketing Cooperative(s)	Amount determined by Batteries or by local cooperative (with our approval) but cannot exceed the greater of 3% of Net Revenues or the “Minimum Store Promotion Requirement,” and when combined with Digital Marketing Program contributions. (See Note 5)	Established by Batteries or franchisees	Contributions to Advertising/Marketing Cooperatives are used for regional and local advertising or marketing activities. See Item 11

Type of Fee	Amount (See Note 1)	Due Date	Remarks
Minimum Store Marketing Obligation	You must spend amounts each calendar year on “approved” Store advertising and promotional activities in your market to the extent your combined contributions respecting the Digital Marketing Program and advertising cooperative are less than the “Minimum Store Promotion Requirement.”	Minimum amount must be spent during each calendar year.	See Note 5
Store Relocation Marketing Campaign	Upon Store relocation, you must pay a non-refundable Store Relocation Marketing Campaign contribution ranging from \$6,000 to \$20,000 depending on the DMA and trade area where your Store is relocated.	As incurred, see Note 6	See Note 6
Store Relocation Fee	\$5,500	Payable before we review the proposed new Store site	Payable if you desire to change the location of your Store. The fee is not refundable.
Development Schedule Extension Fee	\$10,000 per Store for an extension of up to 6 months as well as any balance of the initial franchise fee owed for this location	Payable when you request an extension to the Development Schedule under the Multiple Unit Franchise Agreement.	Limited to a single extension per Store (if we allow extension).
Franchise Agreement Extension Fee (See Note 7)	\$10,000 for an extension of up to 6 months	Payable when you request an extension of time in which to open the Store.	Limited to a single extension to the time period in which to open the Store (if we allow extension).
Transfer Fee	50% of then-current standard Initial Franchise Fee plus Transfer Store Marketing Campaign contribution ranging from \$6,000 to \$10,000	Before completion of transfer	See Note 8
Resale Training Fee	Then-current training fee; currently \$10,000	Before completion of transfer	Transferee must complete training upon a Store transfer.
Renewal Fee	20% of then-current standard Initial Franchise Fee	At least 30 days before renewal of Franchise Agreement	
Omni-Channel Access Fee	Will vary under circumstances, currently \$10,000	Before completion of transfer or at least 30 days before renewal of the Franchise Agreement	See Note 9

Type of Fee	Amount (See Note 1)	Due Date	Remarks
Remodeling Expenses	Will vary under circumstances	When incurred	See Note 10
Costs and Attorneys' Fees	Will vary under circumstances	When incurred	We may recover costs and reasonable attorneys' fees if you lose in a dispute with us.
Audit	Cost of audit plus 1½% interest per month from due date.	30 days after billing	Payable only if audit shows an understatement of at least 2% of Net Revenues for any month.
Interest Expenses	Lesser of 18% per year or the maximum rate permitted by law	When due	Payable if you do not timely pay Royalty and Service Fee, NMF Fee, Digital Marketing Fee, or other amounts owed to Batteries or our affiliates.
Insurance	Cost of insurance	Payable before opening	If you fail to obtain and maintain required insurance, we may immediately obtain insurance and you must promptly reimburse us for insurance, including late charges.
Software Support	Varies, currently \$437 per month	Payable monthly	See Item 11
Omni-Channel Maintenance Fees	Then-current fee as described in the Operations Manual, currently \$200 per month.	Payable monthly	See Note 11 and Item 12
Omni-Channel Program Fees	Varies, includes administrative fee on certain product and reimbursement of key account, e-commerce and other program expenses and services provided to you	Will vary depending on fee	See Note 11 and Item 12
Avalara Avatax Service Fee	Varies, currently \$11 per month	Payable monthly	
Payment Gateway Fee	Varies, currently \$22 per month	Payable monthly	
Salesforce.com CRM Fee	Varies, currently \$35 per month	Payable monthly	
Managed Security Services (PCI Compliance) Program Fee	Currently \$77 per month	Payable monthly	See Item 11

Type of Fee	Amount (See Note 1)	Due Date	Remarks
Regional Workshops and Supplemental and Refresher Training	Varies, currently \$0 - \$1,500 per day	When incurred	See Item 11
Commercial as a Service – Standard Program	Currently \$1,785 per month	Payable monthly	See Note 12
Commercial as a Service – New Franchisee/New Store	Currently \$1,150 per month	Payable monthly	See Note 12
Inventory Planning as a Service	Currently \$100 per month	Payable monthly	See Note 13
National Conventions	Varies, currently \$1,000 per person plus lodging, meals and travel expenses	Convention Registration billed 6 months before convention	You must pay the National Convention Fee even if you don't attend. See Item 11
Payments to Ascent Relating to Products Purchased Through Supply Chain Program	Will vary	When incurred	See Item 8
Optional Resale Marketing Assistance Fee	Currently, \$1,200 for a Launch Fee or \$7,500 for a Resale Marketing Fee	Launch Fee is payable when you engage with the program; Resale Marketing Fee is payable when Store is sold	See Note 14

Notes:

- (1) Except where otherwise noted, all fees are payable to us, are non-refundable, and are uniformly imposed.
- (2) “Net Revenues” generally means the aggregate amount of all sales of goods and services (including service charges in lieu of gratuity), whether for cash, on credit or otherwise, made or provided in connection with the Store, but excluding taxes paid or accrued by you.
- (3) We have elected, at our option, to periodically provide to select franchisees that joined the System before April 2011 and met certain other conditions a rebate of a portion of the Royalty and Service Fees in excess of 4% of Net Revenues. These franchisees generally include multi-unit franchisees, each of which satisfy certain minimum cumulative annual Net Revenues or certain minimum average annual unit Net Revenues, and other franchisees that satisfy certain minimum average annual unit Net Revenues. For calendar year 2021, multi-Store franchisees must satisfy either the minimum annual cumulative Net Revenue amount of \$12,468,597 or the minimum average annual unit Net Revenues of \$2,075,989; and single Store franchisees must satisfy the minimum annual Net Revenue of \$2,424,449.
- (4) We will determine future Digital Marketing Program Contributions, provided that the Digital Marketing Contribution will not exceed the greater of 3% of Net Revenues or the “Minimum Store Promotion Requirement.”
- (5) The term “Minimum Store Promotion Requirement” means: (i) during the first calendar year (or portion thereof) following the Store opening date, a pro rata amount of \$20,000 based upon the number of weeks during the calendar year in which the Store was in operation; and (ii) during the

first full and each subsequent calendar year during the term of the Franchise Agreement, the greater of 4% of your Store's Net Revenues (based on Store Net Revenues for the previous calendar year) or \$20,000. If you do not satisfy the Minimum Store Promotion Requirement for a calendar year, you must deposit with us the difference between the amount of the Minimum Store Promotion Requirement and the amount you actually spent during the calendar year on qualifying advertising or promotional activities. Franchisor will deposit that amount in the NMF Fund (see Item 11 for further discussion).

- (6) If your Store is located in one of the top 70 DMAs and relocating within the same trade area, you must pay a Store Relocation Marketing Campaign contribution equal to \$10,000. If your Store is located in any of the other DMAs and relocating within the same trade area, you must pay a Store Relocation Marketing Campaign contribution equal to \$6,000. If your Store is relocated outside the current trade area, you must pay up to the amount required for a New Store Marketing Campaign for your DMA, ranging from \$13,000 to \$20,000. You must pay this contribution to us and/or our designated vendors, as we direct. The Store Relocation Marketing Campaign contribution will be due as we direct, beginning at the time you relocate your Store and continuing for up to 180 days. We and the vendor will use the Store Relocation Marketing Campaign contribution to conduct local Store opening promotions in your market.
- (7) This fee (and the extension request) applies only if you have not previously received an extension for this Store under a Multiple Unit Franchise Agreement.
- (8) You pay this fee when the Franchise Agreement or a substantial portion of the assets of the Store or any controlling interest in you is transferred. If the Store is located in one of the top 70 DMAs, the transferee-franchisee must pay a Transfer Store Marketing Campaign contribution equal to \$10,000. If your Store is located in any of the other DMAs, the transferee-franchisee must pay a Transfer Store Marketing Campaign contribution equal to \$5,000.
- (9) We have agreed to waive this fee for certain groups of franchisees who have signed Franchise Agreements as of March 31, 2015.
- (10) You must remodel your Store on notice from us. Any refurbishing must comply with our then-current standards for Batteries Plus® Stores. The scope of refurbishing may range from simply painting the Store to completely refurbishing the entire Store, including replacement of fixtures, signs, supplies and equipment. We cannot estimate the current cost for a refurbishing project because the refurbishing requirements will vary from Store to Store. You may make these payments in whole or in part to various third parties. If you relocate your Store, you will incur certain build-out or remodeling expenses at the new Store premises in addition to paying us the Store Relocation Fee.
- (11) Among other possible fees, you must pay us an administrative fee on product sold to key accounts and other customers for which you recognize Net Revenues, and reimburse us for certain operational expenses related to operation of the Omni-Channel Program that we or our affiliates have incurred.
- (12) We have developed commercial sales assistance programs under which we: (a) provide personal one-on-one support and training to New Franchisees entering the System, who are opening their first Store (the "Commercial as a Service – New Franchisee/New Store Program") or (b) offer franchisees the opportunity to subcontract all or part of their commercial sales activities to us (the "Commercial as a Service – Standard Program"). New Franchisees opening their first Store must participate in the Commercial as a Service – New Franchisee/New Store Program during the first

6 months following the Store opening. New Franchisees entering the System through a Store transfer and Stores underperforming in the area of Commercial Sales must participate in the Commercial as a Service – Standard Program for a minimum of 8 months unless we agree to waive the requirement.

- (13) We have developed an inventory management assistance program under which we offer franchisees assistance with inventory management (“Inventory Planning as a Service Program”). All franchisees must participate in the Inventory Planning as a Service Program during the first 12 months of Store operations in any of the following situations: (a) new Store opening; (b) Franchise Agreement renewal; or (c) Franchise Agreement transfer (Store sale), unless we agree to waive the requirement. We will waive the fee for the first 6 months of Store operations.
- (14) We have developed an optional resale support assistance program under which we provide certain support when you list your Store for sale. The \$1,200 Launch Fee is paid when you engage with the program and will include assistance related to the business profile development, marketing collateral, advertising, virtual tour, and diligence assistance. The \$7,500 Resale Marketing Fee is paid only if your Store is sold and includes include approximately 6 months of marketing assistance in the sale of your Store, including online listings, digital marketing and monthly reporting. These fees do not include amounts you pay to third parties in connection with the resale process, including a business evaluation fee or fees paid to third parties for digital listings.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure (See Note 1)	Amount (See Note 2)	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee See Note 3	\$15,000 to \$44,500	Lump Sum	When you sign the Franchise Agreement	Batteries
Real Estate See Note 4	See Note 4	See Note 4	See Note 4	See Note 4
Leasehold Improvements See Note 5	\$0 to \$79,142	As Agreed Upon	As Incurred	Landlord, Various Third Parties
New Store Marketing Campaign Contribution	\$13,000 to \$20,000	As Incurred	As Incurred	Batteries and our designated vendor
Equipment and Fixtures See Note 6	\$45,175 to \$56,979	As Agreed Upon	As Incurred	Ascent; Various Suppliers
Signage See Note 7	\$6,771 to \$17,967	As Agreed Upon	As Incurred	Various Suppliers
Inventory See Note 8	\$53,200 to \$64,000	As Agreed Upon	As Ordered	Ascent; Various Suppliers

Type of Expenditure (See Note 1)	Amount (See Note 2)	Method of Payment	When Due	To Whom Payment Is To Be Made
Miscellaneous Supplies See Note 9	\$2,766 to \$4,986	As Incurred	Before Opening	Various Suppliers
Prepaid Expenses and Deposits See Note 10	\$0 to \$10,100	As Incurred	Before Opening	Various Third Parties
Retail Management System See Note 11	\$41,067 to \$41,743	Lump Sum	Before Opening	Batteries and Various Suppliers
Omni-Channel Access Fee See Note 12	\$10,000	Lump Sum	As Incurred	Batteries
Training See Note 13	\$200 to \$2,250	As Incurred	Before Opening	Various Third Parties
Miscellaneous Pre-opening Expenses See Note 14	\$3,300 to \$8,000	As Incurred	Before Opening	Various Third Parties
Delivery Vehicle See Note 15	\$1,000 to \$16,500	Varies	As Incurred	Third Party Automotive Dealer
Commercial as a Service Program -- 3 months See Note 16	\$0 to \$5,355	As Incurred	As Incurred	Batteries
Additional Funds - 3 months See Note 17	\$30,200 to \$49,550	As Incurred	As Incurred	Employees Suppliers
TOTAL See Note 18	\$221,679 to \$431,072			

Notes:

- (1) The typical size of a Batteries Plus® Store ranges from 1,200 to 1,800 square feet. Historically, certain franchisees have developed Batteries Plus® Stores of up to 1,800 square feet or more. For several items discussed below, your cost will increase as the number of square feet increases. The size of your Store is principally determined by requirements or restrictions that your landlord and appropriate municipality or zoning boards may impose, and availability and cost of leasable space. This Table reflects your estimated initial investment for a single Store operated under a Franchise Agreement that offers batteries, light bulbs, and related products as well as designated services. This information assumes that you will lease the premises for your Store.
- (2) Except where otherwise noted, all fees that you pay to us are non-refundable. Third party lessors, contractors and suppliers will decide if payments to them are refundable.
- (3) The Initial Franchise Fee paid is paid to us and is more fully described in Item 5. We also offer a discounted Initial Franchise Fee for franchisees committing to open two or three Stores, to certain existing franchisees and to qualified veterans, as more fully described in Item 5.

- (4) Although most franchisees lease the premises for their Store, a small number of franchisees will purchase the land and construct the building for their Store. The cost of purchasing unimproved land will vary depending on location, availability of utilities and other factors and cannot be estimated by us. The construction costs for the building also will vary significantly depending on many of the same factors mentioned above as well as the size of the building and the availability of financing. Due to these many factors and a lack of historical information on which to base an estimate, we cannot estimate the cost of the building.
- (5) Typical locations for your Store are smaller free-standing, multiple use and strip center locations. Assuming that you will lease the premises for your Store, you will need to make certain leasehold improvements to the leased premises to comply with our approved plans and specifications. Leasehold improvements include lighting, flooring and partition walls. We anticipate that you will negotiate the cost of leasehold improvements as part of your rental expense. The exact cost or impact on your rental expense will depend on several factors, including the condition of the premises, whether you elect to do more than the minimum required renovations, the landlord's agreement to reimburse you for certain improvements, the size and location of the premises for your Store and other economic factors. Although we do not recommend that you purchase the land and building for your Store, you will incur significantly greater costs in developing your Store if you choose to do so. All construction materials and fixtures must comply with our specifications. Although we estimate that you will need to lease premises of approximately 1,200 to 1,800 square feet for a Store, you may need larger premises in some situations. We estimate that you may pay from \$20 to \$45 per square foot in the rental expense (including common area maintenance (CAM) and taxes) for your Store premises. The exact amount of rental expense will vary greatly, depending on the location of the Store premises, the portion of rent representing the value of leasehold improvements at the Store premises, local market conditions and other factors. You will incur greater start-up costs if you cannot negotiate the cost of leasehold improvements as part of your rental expense. You are responsible for any architectural plans that you may be required to submit.
- (6) This amount includes estimated expenses for test equipment, fixtures, and charging equipment. The cost of purchasing equipment may vary as a result of the characteristics of the Store site and the shipping distances from suppliers. You may purchase or lease approved brands and models of equipment and fixtures from any approved supplier.
- (7) This amount includes estimated expenses for interior and exterior Store signs. The cost of purchasing signs may vary as a result of the characteristics of the Store site, the number and size of the signs, and the shipping distances from suppliers. You may purchase or lease signage from any approved supplier.
- (8) You will need to purchase opening inventory that complies with our specifications and is purchased from approved suppliers. Our affiliate, Ascent, currently is an approved supplier (see Item 8). This amount does not reflect amounts needed to replenish inventory during the initial stage of operation or growth in inventory as Store Net Revenues grow.
- (9) You will need to purchase supplies and materials that comply with our specifications and are purchased from approved suppliers. We or our affiliate may be an approved supplier (see Item 8).
- (10) Prepaid insurance, the lease deposit and utility deposits may vary considerably, depending on the size and location of your Store. Deposits are generally refundable, but prepaid insurance payments are not.

- (11) The estimated range reflects the amount you pay for the Retail Management System software and hardware which we have selected for use in your Store and includes the computer access and Retail Management System development fees. (See Item 11.) The low end of this range excludes optional System peripherals (touch screen monitors) and incremental System peripherals that will be required as Store Net Revenues increase. (See Item 11.)
- (12) You must pay us an Omni-Channel Program access fee at or around the time you open your Store for access to our Omni-Channel Program.
- (13) Training expenses include the cost of lodging, meals and travel expenses for one person attending the initial training program (including the initial start up training program). As further described in Item 11, if you are a new franchisee opening your first Store, 2 individuals must participate in the device repair session of the initial start up training program. The estimated training expenses include the cost of lodging, meals and travel expenses for a second individual to attend this component of the initial start up training program.
- (14) Miscellaneous expenses include local permit and license fees, permit expediting fees, legal and accounting fees and opening advertising.
- (15) You must own or lease one delivery vehicle in each market area (as defined in Item 12) to deliver product to customers in operating your commercial accounts business. The lower amount assumes that you will lease a new or used vehicle, or will use a vehicle that you already own to make deliveries, while the higher estimate assumes that you will purchase a vehicle to make these deliveries. We currently recommend a late model, used Ford Transit or similar model van as a delivery vehicle.
- (16) This amount includes an estimate of fees for 3 months to participate in the Commercial as a Service Program(s). You must participate in the Commercial as a Service Program as more fully described in Item 6.
- (17) This amount estimates the expenses you will incur during the first three months of Store operations, including initial wages and fringe benefits, lease payments, occupancy costs and utilities. In providing this estimate, we have assumed no sales of product inventory during the first three-month period. As a result, the estimated amount does not reflect any revenue from the sale of product or corresponding (variable) costs associated with product sales (such as the cost of replenishing inventory). It does not include inventory costs beyond the opening inventory costs identified in the Table and does not include your compensation during this three month period. These amounts are estimates, and we cannot guarantee that you will not incur additional expenses in starting the business. Your costs will depend on factors such as local economic conditions, the prevailing wage rate, how much you follow our systems and procedures, and assumes that there is no external financing.
- (18) This total is an estimate of your pre-opening initial investment and the expenses you will incur during the first three months of Store operations. This total is based on our estimate of nationwide average costs and prevailing market conditions and our (including our predecessor's) over 30 years of experience in the business. You should review this amount carefully with a business advisor before deciding to purchase the franchise. Your initial investment must include a minimum of \$100,000 of personal cash or other liquid assets in the operation of each Store. These figures are estimates only and we cannot guarantee that you will not have additional expenses in starting or operating your Batteries Plus® Store.

YOUR ESTIMATED INITIAL INVESTMENT – MULTIPLE UNIT FRANCHISE

We cannot estimate your initial investment under a Multiple Unit Franchise Agreement, other than the Multiple Unit Territory Fee, which is described in Item 5. The amount of this fee will depend on the number of Stores you agree to establish under the Development Schedule. We do not offer separate financing for multiple unit franchisees.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To ensure a uniform image and uniform quality of products and services throughout the Batteries Plus® system, you must maintain and comply with our quality standards.

Supply Chain Program for Batteries, Light Bulbs, Repair Components and Related Products and Services

You must purchase for sale at your Store private label and branded batteries, light bulbs, repair components and related products as well as services from us, our designees or from other suppliers we approve. We (including our affiliate, Ascent) or our designees may be the designated or sole source of supply for certain batteries, light bulbs, repair components and related products as well as services. Ascent currently is the sole source of supply for certain batteries, light bulbs, repair components and related products as well as certain services. In addition, for certain device services that you cannot perform at the Store, including the repair and replacement of screens and batteries, you must send the device to Ascent for repair.

We have established a supply chain program, through Ascent, that is designed to make available to you and other Batteries Plus® franchisees quality private label and branded batteries, light bulbs, repair components and related products as well as certain services. Ascent negotiates supply contracts for the manufacture of our private label and branded batteries, light bulbs, repair components and related products. Ascent then arranges for the acquisition and distribution of these products to Batteries Plus® franchisees directly or through approved third-party suppliers. You will be required to pay for products purchased from Ascent by electronic transfer of funds. Ascent may purchase products directly and resell them to franchisees at a higher price.

Recycling Services

We have identified East Penn, Gopher Smelting, RSR & Sanders Lead as our currently approved suppliers for SLI batteries recycling. We have designated Battery Solutions, LLC (“Battery Solutions”) as our preferred supplier for other battery recycling. Battery Solutions offers a box and a pallet program to commercial establishments in which to place used batteries for recycling. We have designated Veolia ES Technical Solutions (“Veolia”) as our preferred supplier for light bulb and ballast recycling. Veolia offers a box and a pallet program to commercial establishments in which to place used light bulbs for recycling.

Location of your Store; Real Estate Lease

You must locate a site for your Store that we consent to, and you may not sign a lease for the site until we have given our consent in writing. We accept locations on a case by case basis, considering items such as size, appearance and other physical characteristics of the site, demographic characteristics, traffic patterns, competition from other businesses in the area and other commercial characteristics, such as rental obligations and other lease terms (including those that we require be in the lease). You are not required to purchase, lease or sublease the Store premises from us or our affiliate.

Fixtures, Equipment, Furniture & Signs

You must construct and develop your Store. We will furnish to you prototypical drawings and specifications for your Store, including requirements for interior and exterior materials, decor, fixtures, equipment, furniture and signs. You must meet our specifications and standards in developing your Store. You must submit construction plans and specifications to us for our approval before you begin construction of your Store, and you must submit all revised plans and specifications to us during the course of construction. You must ensure that the plans and specifications comply with the Americans With Disabilities Act and all other applicable federal, state and local laws, ordinances, building code and permit requirements and lease requirements and restrictions. If you must modify the prototypical drawings for your Store to comply with local laws or restrictions, you must engage, at your expense, an architect to modify the prototypical drawings to comply with those laws and provide us with a copy of the proposed modifications for our approval. In developing and operating your Store, you may purchase only the types of construction and decorating materials, fixtures, equipment, furniture and signs that we require and have approved as meeting our specifications and standards for quality, design, appearance, function and performance. You may purchase these items from any supplier who can satisfy our standards and specifications. We or our affiliate may be an approved supplier of one or more of these items.

Computer Hardware And Software

You must purchase the Proprietary Software from us and the computer hardware for the Retail Management System from SHI or another approved vendor. See Item 11 for information regarding the Retail Management System. You must use Fiserv or another vendor we designate as your credit card processor.

Insurance

At your expense, you must purchase and maintain for each Store you operate: (1) comprehensive general liability insurance with minimum limits of \$2,000,000 per occurrence and \$3,000,000 annual aggregate; (2) workers' compensation, employer's liability and other insurance to meet the greater of all applicable statutory requirements or the then-current minimum levels of coverage we require; (3) commercial property insurance including, at a minimum, fire, vandalism, theft, burglary, and extended coverage with limits of at least 100% replacement value of the Store premises, fixtures, equipment and inventory; (4) business interruption/time element coverage in the amounts we require either as a component of or an endorsement to a commercial property insurance policy; (5) automobile liability insurance, including personal injury, wrongful death and property damage, with limits of at least \$1,000,000 per occurrence; (6) cyber security insurance; (7) data privacy insurance; and (8) employment practices liability insurance. Your general liability policy must name us and our affiliates and any other person that we designate as an additional insured and must meet any other requirements that we designate. If you own more than one Store, (1) we may require you to obtain an umbrella liability policy; and (2) we may allow you to obtain single policy for such Stores provided that we periodically will determine the levels of insurance coverage that you must obtain and other requirements that you must satisfy for each Store covered by such policy.

Advertising and Promotional Approval

You must use our provided media plan in promoting the Store. You also must use only our designated advertising and promotional materials in promoting the Store. See Item 11 for further information regarding advertising programs.

We may license third party suppliers to produce marketing, advertising and promotion items which bear the Licensed Marks. You may purchase these items for resale or for promotional purposes from approved third party suppliers.

Supplier and Product Approval

We will provide you with lists of approved manufacturers, suppliers and distributors (“Approved Suppliers List”) and approved inventory, products, fixtures, furniture, equipment, signs, supplies and other items or services necessary to operate your Store (“Approved Supplies List”). The Approved Suppliers List may specify the specific manufacturer of a specific product or piece of equipment (for example, Duracell® batteries) and you must purchase the product or equipment only from a source identified on the Approved Suppliers List. We, an affiliate or a third-party vendor or supplier periodically may be the only approved supplier for certain products. The lists specify the suppliers and the products or categories of products and services which we have approved for use in the System. We may revise these lists and provide you with a copy of approved lists as we deem advisable. If you want to use any unapproved material, fixture, equipment, furniture or sign, or purchase any items from any supplier that we have not approved, you must first obtain our approval by notifying us in writing and must submit to us, at our request, sufficient specifications, photographs, drawings or other information or samples for us to determine whether the services, material, fixture, equipment, furniture or sign complies with our specifications and standards, or the supplier meets our approved supplier criteria. We will notify you of our decision within a reasonable time following our receipt of all information requested. You must pay the reasonable cost of the inspection and evaluation and the actual cost of the test. We may reinspect the facilities and products of any supplier or approved item and revoke our approval of any item or supplier which fails to continue to meet any of our criteria. We will send written notice of any revocation of an approved supplier or supply. As part of the approval process, we may require that a proposed supplier sign a supplier agreement covering such items as insurance, product quality, trademark use, and indemnification. We do not provide material benefits to you based on your use of designated or approved sources.

We apply certain general criteria in approving a proposed supplier, including the supplier’s quality and pricing of products, ability to provide products/services that meet our specifications, responsiveness, ability to provide products/services within the parameters required by the System, quickness to market with new items, financial stability, credit program for franchisees, freight costs, and the ability to provide support to the System (merchandising, field assistance, education and training respecting sales and use of products and services).

We will notify you in writing if we elect to revoke our approval of a supplier. If we revoke our approval of a supplier, you will have 30 days to stop offering, selling or using those products or other items or services in your Store.

Revenue Received From Franchisee Purchases

Both Batteries and Ascent will derive revenue as a result of the system-wide supply chain program or as a result of franchisee purchases or leases of other products and services described in this Item 8. We received approximately \$13,855,000 in gross revenue in fiscal year 2021 from franchisee purchases of goods, products and services, and rebates and other payments as otherwise described in this Item 8. Ascent received approximately \$177,560,000 in gross revenue in fiscal year 2021 from franchisee purchases of goods, products and services from Ascent, and rebates and other payments as otherwise described in this Item 8. On a consolidated basis, Batteries and Ascent received \$191,415,000 in gross revenue in fiscal year 2021 from franchisee purchases of goods, products and services, and rebates and other payments as otherwise described in this Item 8, which represented 60.85% of our total gross revenues of \$314,586,000.

Rebates from Approved Suppliers

Ascent and Batteries may receive rebates and other payments from approved third party suppliers. In fiscal year 2021, the rebates and other payments Batteries or Ascent received from suppliers ranged from less than 1% up to 15% of the price franchisees paid suppliers for those items. All supplier rebates currently are assigned to Ascent.

Miscellaneous

One or more of our officers have an indirect interest in Ascent. Our officers otherwise currently do not have an ownership interest in any supplier.

We negotiate prices for numerous products under the System, but not for the benefit of any individual franchisee. Except to the extent certain aspects of the Ascent supply chain program and the Omni-Channel Program (described in Item 12 below) may involve the cooperative efforts of franchisees and us or Ascent, we are not aware of any purchasing or distribution cooperative in the System. We attempt to receive volume discounts for the System.

You must accept those forms of payment we specifically approve in the Operations Manual.

We estimate that the purchase or lease of equipment (including the Retail Management System hardware and software), signs, fixtures, furnishings, supplies, batteries, light bulbs and other products, as well as services, and advertising and sales promotions materials which meet our specifications will represent approximately 45% to 65% of the cost to develop the Store and 65% to 85% of the cost to operate your Store.

ITEM 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and other items of this disclosure document.

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Sections 2 and 4(A) of Franchise Agreement, Section 5 of Multiple Unit Franchise Agreement	Item 11
b. Pre-opening purchases/leases	Section 4 of Franchise Agreement	Items 7, 8 and 11
c. Site development and other pre-opening requirements	Section 4 of Franchise Agreement and Section 5 of Multiple Unit Franchise Agreement	Item 5, 7, and 11
d. Initial and ongoing training	Sections 5(B) and 16(B) of Franchise Agreement	Items 7 and 11
e. Opening	Sections 4(E)-4(G) and 16(B) of Franchise Agreement	Items 5 and 11
f. Fees	Sections 3(B), 4(D), 4(F), 4(H), 9, 10(K), 10(L), 11 and 15(C) of Franchise Agreement, Sections 3(D) and 6 of Multiple Unit Franchise Agreement	Items 5, 6 and 7

Obligation	Section in Agreement	Disclosure Document Item
g. Compliance with standards and policies/ Operations Manual	Sections 5(D) and (E) and 10 of Franchise Agreement	Items 11 and 16
h. Trademarks and proprietary information	Sections 1(A), 6 and 7 of Franchise Agreement and Sections 1(A), 8 and 9 of Multiple Unit Franchise Agreement	Items 13 and 14
i. Restriction on products/services offered	Section 2 and 10(C) of Franchise Agreement	Items 8 and 16
j. Warranty and customer service requirements	Sections 10(G), (H), (K) and (L) of Franchise Agreement	Item 11
k. Territorial development and sales quotas	Sections 2(B) and (C) and 16(A) of Franchise Agreement, Sections 3, 4 and 5 of Multiple Unit Franchise Agreement	Item 12
l. Ongoing product/service purchases	Sections 4 and 10 of Franchise Agreement	Items 8 and 11
m. Maintenance, appearance and remodeling requirements	Sections 3(B), 4(D) and 10 of Franchise Agreement	Item 11
n. Insurance	Section 10(J) of Franchise Agreement	Items 6, 7 and 8
o. Advertising	Sections 4(G) and 11 of Franchise Agreement	Items 6, 7 and 11
p. Indemnification	Section 8(B) of Franchise Agreement and Section 19 of Multiple Unit Franchise Agreement	None
q. Owner's participation/management/staffing	Sections 10(G) and (I) of Franchise Agreement and Section 10 of Multiple Unit Franchise Agreement	Items 11 and 15
r. Records and reports	Section 12 of Franchise Agreement and Section 11 of Multiple Unit Franchise Agreement	Item 6
s. Inspections and audits	Section 13 of Franchise Agreement	Item 6
t. Transfer	Section 15 of Franchise Agreement and Section 16 of Multiple Unit Franchise Agreement	Items 6 and 17
u. Renewal	Section 13 of Franchise Agreement	Items 6 and 17
v. Post-termination obligations	Sections 14 and 18 of Franchise Agreement and Sections 14 and 15(B) of Multiple Unit Franchise Agreement	Item 17
w. Non-competition covenants	Sections 14 and 18(A) of Franchise Agreement and Section 15(B) of Multiple Unit Franchise Agreement	Item 17
x. Dispute resolution	Sections 19 and 20(D) and (E) of Franchise Agreement and Sections 17 and 18(D) and (E) of Multiple Unit Franchise Agreement	Item 17

ITEM 10

FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation. Batteries Plus® franchisees may be eligible for expedited Small Business Administration (the “SBA”) loan processing through the SBA’s Franchise Registry Program, www.franchiseregistry.com.

ITEM 11

FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

Pre-Opening Assistance. Before you open your Store, we will:

- (1) Grant you rights to establish a specific number of Stores at locations we evaluate within the Designated Area if you sign a Multiple Unit Franchise Agreement (Multiple Unit Franchise Agreement – Sections 3 and 5).
- (2) Provide assistance in your evaluation and selection of a site for the Store (Franchise Agreement – Section 5(A)).
- (3) Provide you with prototype drawings and specifications for your Store, including those for dimensions, interior design and layout, building materials, fixtures, equipment, furniture, signs and décor (Franchise Agreement – Section 5(A)).
- (4) Provide the initial, commercial sales effectiveness, device repair training programs described below (Franchise Agreement – Section 5(B)).
- (5) Provide to you access to the confidential Operations Manual. You must keep the Operations Manual confidential and discontinue using it when the Franchise Agreement terminates (Franchise Agreement – Section 5(E)).
- (6) Provide you access to our Batteries Plus® intranet web site through which you can access the Operations Manual and other Confidential Information relating to Store operations (Franchise Agreement – Section 4(D)).
- (7) Make available to you the Retail Management System that we have developed or selected for the System (described further below) (Franchise Agreement – Section 4(D)).

Ongoing Assistance. During the operation of your Store, we will:

- (1) Make available a field consultant to assist you in the opening and initial operations of your Store for a minimum of 7 days (Franchise Agreement – Section 5(C)).
- (2) Provide advisory services relating to Store operations, including products and services offered for sale, selecting, purchasing and marketing batteries, light bulbs and other products and services, marketing assistance and sales promotion programs, and operating, administrative and general operating procedures (Franchise Agreement – Section 5(D)).

- (3) Periodically provide you with updated and revised materials for the Operations Manual (Franchise Agreement – Section 5(E)).
- (4) Operate the NMF Fund (Franchise Agreement – Section 11(A)).
- (5) Conduct the Omni-Channel Program (including programs involving key accounts and e-commerce) (Franchise Agreement – Sections 10(K) and 10(L)).
- (6) Offer the Commercial as a Service Program (Franchise Agreement – Section 12(H)). New franchisees must participate in the Commercial as a Service Program for the first months of Store operations following the date the Franchise Agreement is signed (including upon the renewal or transfer of a franchise).
- (7) Offer Inventory Planning as a Service Program (Franchise Agreement – Section 11(N)). All franchisees must engage us to provide Inventory Planning as a Service Program for the first 12 months of Store operations following the date a Franchise Agreement is signed (including upon the renewal or transfer of a franchise).

Advertising and Marketing Programs. We establish and conduct various advertising and marketing programs as follows:

We operate a National Marketing Fund (the “NMF Fund”) to advertise and promote Stores in the System. You will pay us a monthly national marketing fee of 1% of your Store’s Net Revenues (the “NMF Fee”). We will deposit the NMF Fee in the NMF Fund that we manage through a separate account. We may use the NMF Fund to conduct national, regional and local advertising, marketing, promotional and public relations campaigns, including the cost of preparing and conducting print, point of purchase, radio, television, internet, electronic and billboard advertising, supporting Key Accounts Program activities, e-commerce website activities, providing market intelligence through analytics to the System, and employing advertising and marketing agencies. We also will use the NMF Fund to develop advertising and promotional materials for regional and local advertising and marketing cooperatives and for use in each franchisee’s local market. In certain developing markets, we may assist franchisees’ initial advertising and promotional activities in an effort to increase brand awareness. We have an in-house marketing staff that assists in developing and placing local advertising and other matters. We also contract with various outside advertising and marketing agencies and third party vendors to produce certain advertising and promotional materials and to create and implement public relations campaigns. We will determine the use of monies in the NMF Fund. We are reimbursed for reasonable administrative costs and overhead incurred in administering the NMF Fund.

We are not required to spend any particular amount on marketing, advertising or production in the area in which your Store is located. NMF Fees not spent in any fiscal year will be carried over for future use. We may make loans to the NMF Fund bearing reasonable interest to cover any deficit of the NMF Fund and cause the NMF Fund to invest in a surplus for future use by the NMF Fund. NMF Fees will not be used for advertising principally directed at the sale of franchises. At your request, we will provide you with an annual unaudited statement of the receipts and disbursements of the NMF Fund.

Each new Batteries Plus® franchisee must pay the NMF Fee. Other franchisees pay the same amount for the NMF Fee. In addition, each Batteries-owned Store will contribute to the NMF Fund on the same basis as franchisees.

When developing marketing strategy and allocating the use of NMF Fees, we consult with our NMF Council (the “Council”). There are 6 franchisees on the Council. Council members are elected by the franchisees and serve for a 3 year term. The Council serves in an advisory capacity to provide advice

on advertising, research and promotional activities to us and our outside advertising and marketing agencies. We have the power to form, change or dissolve the Council.

During our 2021 fiscal year, 3.8% of the NMF Fund was spent for advertising and merchandising production, communication and related expenses, 45.9% was spent on the development and operation of the System e-commerce platform, .4% was spent for other internet-based advertising and promotional activities, 24.4% was spent for key accounts, commercial sales development and related expenses, and 24.5% was spent on in-house marketing services, administrative expenses and other miscellaneous expenses (including salaries of our in-house marketing staff that conducts media planning/buying, catalog and collateral production, advertising layout, and other related services).

You may not develop advertising or promotional materials for your own use. You must use only advertising and promotional materials we provide.

You must participate in and contribute to our Digital Marketing Program designed to support the cost of regional or local digital marketing programs (or future forms of electronic marketing). For the period January 1, 2022, to December 31, 2022, you must contribute the greater of 2.5% of Store Net Revenues or the Minimum Store Promotion Requirement with a maximum monthly contribution of \$2,975. We will determine future Digital Marketing Program contributions; provided that it may not exceed the greater of 3% of Net Revenues or the Minimum Store Promotion Requirement. We will direct how the Digital Marketing Program contributions are spent, and you may be required to pay such amount directly to us, to a regional or local Cooperative or to a third party supplier. We may use the Digital Marketing Program contributions to reimburse us for expenses we incur in connection with digital marketing or future forms of electronic marketing activities respecting the System, including expenses related to marketing and lead generation and future forms of electronic or Internet-based marketing or promotional tools or programs. Any separate account established for the Digital Marketing Program is not a trust or escrow account, and we have no fiduciary obligations regarding any such account.

We are not required to spend any particular amount as part of the Digital Marketing Program in the area in which your Store is located and we cannot ensure that you will benefit directly or on a pro rate basis from the Digital Marketing Program. Digital Marketing Program contributions not spent in any fiscal year will be carried over for future use. We may make loans to the Digital Marketing Program bearing reasonable interest to cover any deficit of the Digital Marketing Program and cause the Digital Marketing Program to invest in a surplus for future use by the Digital Marketing Program. Digital Marketing Program contributions will not be used for advertising principally directed at the sale of franchises. At your request, we will provide you with an annual unaudited summary of the receipts and disbursements of the Digital Marketing Program account for the most recent calendar year. Each new Batteries Plus® franchisee must contribute to the Digital Marketing Program. In addition, each Batteries-owned Store will contribute to the Digital Marketing Program on the same basis as the majority of franchisees must contribute.

During our 2021 fiscal year, 79% of the Digital Marketing Program contributions were spent on paid search advertising for our stores and 21% was spent on digital co-op related expenses (*i.e.*, professional fees, legal fees, etc.).

In addition, you must pay a non-refundable New Store Marketing Campaign contribution ranging from \$13,000 to \$20,000 depending on the DMA where your Store is located. If your Store is located in one of the top 70 DMAs, you must pay a New Store Marketing Campaign contribution equal to \$20,000. If your Store is located in the 71st to 140th DMA, you must pay a New Store Marketing Campaign contribution equal to \$15,000. If your Store is located in any other DMA not referenced above, you must pay a New Store Marketing Campaign contribution equal to \$13,000. You must pay this contribution to us and/or our designated vendors, as we direct. The New Store Marketing Campaign contribution will be due

as we direct, beginning before you open your Store and continuing for up to 180 days following Store opening. We and the vendor will use the New Store Marketing Campaign contribution to conduct local Store opening promotions in your market. The New Store Marketing Campaign contribution cannot be credited towards the Minimum Store Promotion Requirement described below.

If you are relocating your Store, you must pay us a non-refundable Store Relocation Marketing Campaign contribution ranging from \$6,000 to \$20,000. If your Store is located in one of the top 70 DMAs in the U.S. and you are relocating in the same trade area, you must pay a Store Relocation Marketing Campaign contribution equal to \$10,000. If your Store is located in any of the other DMAs and you are relocating in the same trade area, you must pay a Store Relocation Marketing Campaign contribution equal to \$6,000. If you are relocating to a new trade area, you will pay the amount equal to a New Store Marketing campaign for your DMA, ranging from \$13,000 to \$20,000. You must pay us and/or our designated vendors, as we direct. The Store Relocation Marketing Campaign contribution will be due as we direct, beginning at the time you relocate your Store and continuing for up to 180 days. We and the vendor will use the Store Relocation Marketing Campaign contribution to conduct local Store opening promotions in your market. The Store Relocation Marketing Campaign contribution cannot be credited towards the Minimum Store Promotion Requirement described below.

You must participate in and contribute to one or more local or regional advertising or marketing cooperatives (the “Cooperative”) established in an area or region where your Store is located. We or a majority of franchisees (with our approval) may form one or more local or regional advertising or marketing Cooperatives in your area. If a Cooperative is established, you must contribute an amount that we determine or that the Cooperative may determine (with our approval), up to a total of the greater of 3% of your Store Net Revenues or your Minimum Store Promotion Requirement each calendar year, although your cooperative advertising obligations each calendar year will be limited such that your combined obligations for cooperative advertising and Digital Marketing Program contributions will not exceed the “Minimum Store Promotion Requirement” (as described in Item 6). All members of the Cooperative, including those Stores we own, generally will contribute at the same rate. The Cooperative will use contributions to fund local and regional marketing, advertising and promotional campaigns and activities that we determine or approve for use by the Cooperative. Our in-house marketing staff may establish marketing and advertising campaigns and activities that the Cooperative must use. We reserve the right to require each Cooperative to adopt written governing documents. A copy of the governing documents (if any) of any Cooperative for your market area is available upon request. We will determine the voting procedures for each Cooperative. Members of the Cooperative and their elected officials (if any) are responsible for administering the local Cooperative while we reserve the right to administer regional Cooperatives. We do not require that each Cooperative prepare annual financial statements and make those financial statements available to all franchisees in the Cooperative. We have the power to establish advertising and marketing Cooperatives and the rules under which regional and local advertising and marketing Cooperatives will operate.

To the extent your combined contributions respecting the Digital Marketing Program and regional or local cooperative advertising or marketing programs described above during any calendar year are less than the “Minimum Store Promotion Requirement” (as defined in Item 6), you must spend additional amounts during such calendar year on “approved” Store advertising and marketing activities in your local geographic area to satisfy the Minimum Store Promotion Requirement. Store advertising and marketing activities are “approved” if they are included in our recommended media plan for the Store and otherwise satisfy our requirements (described above). Amounts spent on unapproved advertising activities will not qualify in determining whether you have satisfied this minimum expense requirement. If you do not satisfy the Minimum Store Promotion Requirement for the calendar year, you must deposit with us the difference between the amount of the Minimum Store Promotion Requirement and the amount you actually spent during the calendar year on qualifying activities. We will deposit that amount in the NMF Fund.

Retail Management System. You must use in your Store a computerized multi-purpose retail store point-of-sale and management system (“Retail Management System”) that we have selected for use in Stores. We periodically may update or change the Retail Management System in response to business, operations, marketing conditions, or changes in technology.

As of March 1, 2022, the Retail Management System package includes the following: (1) the back office inventory execution software (the “Back Office Software”). The Back Office Software is specifically designed to track various aspects of your Store, including inventory, vendor purchase orders, daily sales reports and accounts receivable; (2) the ProSource RMS™ software (the “ProSource RMS Software”) – our proprietary software that provides a point-of-sale ticket entry platform, manages work orders for services, solution, and assists franchisees in cross-referencing batteries, light bulbs and other products and services; and (3) the Omni-Channel Software (the “Omni-Channel Software”), our proprietary software developed or customized for us that allows retail and commercial customers to place and manage orders for products through a secured website. You will operate the Back Office Software, the ProSource RMS Software, and the Omni-Channel Software (collectively, the “Proprietary Software”) with a software and hardware package we designate, including a minimum of 2 front counter computers, 1 back-office computer, 1 Tech Center PC, and a managed, PCI-compliant firewall. Additional information on the required models is available to franchisees on our Intranet Site under “POS System Services.”

The Proprietary Software is configured over a Wide Area Network (WAN) hosted by a third party. To access the Proprietary Software, each Store must have a primary WAN business-class connection. We also require a 4G/5G cellular back-up WAN connection. We recommend that you use a business-class cable (preferred) or DSL connection as your primary WAN connection, with a separate cellular Internet service for a WAN back-up.

Because the Retail Management System is configured as an integrated system to operate over the Wide Area Network/WAN, you must purchase the hardware from us or a supplier that we designate. This ensures that your Store Retail Management System operates with the Proprietary Software over the WAN and uses a customized configuration to allow you to obtain economical support for your Retail Management System (as described below). Currently, we are the only designated supplier of the Proprietary Software and SHI is the only designated supplier of the hardware for the Retail Management System. The cost of the Retail Management System is described below and does not include the Omni-Channel Fee. See Items 5, 7 and 8.

We will provide to you limited ongoing maintenance and repairs respecting the Back Office Software, as well as upgrades or updates respecting the Back Office Software. (Back Office Software Agreement, Section 5(A).) Fees related to our support services currently are incorporated into the monthly software support fee described below covering Retail Management System services, maintenance and hosting. You must incorporate these upgrades and updates to the Retail Management System. There are no contractual limitations on the frequency and cost of this obligation.

The ProSource RMS Software and Omni-Channel Software (if applicable) is our proprietary software and must be obtained from us. We will provide to you basic ongoing maintenance and repairs respecting the ProSource RMS Software (ProSource RMS Software Agreement, Section 3). We do not charge you a separate fee (aside from the initial Retail Management System computer access fee and the monthly software support fee described below) for the maintenance and repair services provided respecting the ProSource RMS Software. We are not contractually required to provide to you modifications or enhancements respecting the ProSource RMS Software or the Omni-Channel Software. You must incorporate these upgrades and updates to the Retail Management System as they become available. (Franchise Agreement, Section 4(D).) You must reimburse us for various costs associated with the Omni-Channel Program, as described below. You also must pay us an IT Infrastructure Maintenance Fee, as

described below. In addition, as part of the Retail Management System, you must use Fiserv as your credit card processor. There are no contractual limitations in the frequency or cost of these obligations.

Also, you must review, understand and comply with the Payment Card Industry (PCI) Data Security Standards: <https://www.pcisecuritystandards.org/>. As part of your compliance obligations with PCI Data Security Standards, you must participate in our PCI compliance program and pay us our then-current managed services fee. The monthly Managed Security Services fee, of which PCI compliance is a component, is described below and payable to us.

You will incur the following expenses related to the Retail Management System and other technology in connection with the operation of your Store:

Type of Fee	Amount
Retail Management System Cost	\$41,067 to \$41,743
Omni-Channel Program Access Fee	\$10,000
Monthly Software Support Fee	Currently \$437 per month
Omni-Channel Maintenance Fees	Then-current fee as described in the Operations Manual, currently \$200 per month
Omni-Channel Program Fees	Varies, includes administrative fee on certain product and reimbursement of key account, e-commerce and other program expenses and services provided to you
Managed Security Services (PCI Compliance) Program Fee	Currently \$77 per month
Avalara Avatax Service Fee	Varies, currently \$11 per month
Payment Gateway Fee	Varies, currently \$22 per month
Salesforce.com CRM Fee	Varies, currently \$35 per month

We have independent access to certain operational and financial information and data produced by your Retail Management System. (Franchise Agreement, Section 4(D).) There are no contractual limitations on our right to access the information and data.

Site Selection. If you already have a potential site for a Store, you may propose the location to us. We may consent to the site after we have independently evaluated it. The site for the Store will be identified in Exhibit A to the Franchise Agreement. If you do not have a proposed site, you will sign Alternative Exhibit A to the Franchise Agreement and will have up to 150 days before the date the Store is scheduled to open to identify a Store site acceptable to us. We will provide you with our general site selection and evaluation criteria. You are solely responsible, however, for locating and obtaining a site which meets our standards and criteria and that is acceptable to us. If you sign Alternative Exhibit A to the Franchise Agreement and Batteries and you cannot agree on a site for a Store, you can request an extension for a \$10,000 fee. We will determine the length of the extension (which will not exceed 6 months). Any extension fees paid are non-refundable. If you do not request an extension, we do not grant your request for an extension or we and you cannot agree on a site during any extension period, we can terminate your Franchise Agreement.

You must submit to us a complete site submittal cover page (containing information that we may reasonably require) for the proposed Store site. The general site and evaluation criteria which you should consider include demographic characteristics of the proposed location, traffic patterns, parking, the predominant character of the neighborhood, the proximity to other businesses (including other Batteries Plus® Stores), and other commercial characteristics, and the proposed location, size of premises, appearance and other physical characteristics. We will notify you in writing within 30 days after we receive your complete site report and other materials we request whether the proposed site satisfies our site selection

criteria. Our review of a site for the Store does not represent any recommendation or guaranty as to the success of the proposed site.

If you enter into a Multiple Unit Franchise Agreement, Batteries and you will have agreed to an Exclusive Area and a Development Schedule which identify the number of Stores you will develop, and the time frame and the area in which the Stores will be developed. We will evaluate a proposed site for a Store if, at the time of your request: (1) you have signed a Franchise Agreement for the proposed Store at least 9 months before the scheduled Store opening date; (2) you deliver to us a complete site submittal cover page for the proposed Store site and receive our consent to the proposed Store site; (3) you meet the minimum financial standards described in the Multiple Unit Franchise Agreement; (4) you fully comply with all obligations and are in good standing under each existing Franchise Agreement between you and us for individual Stores; (5) you pay the balance of the Initial Franchise Fee due upon signing the Franchise Agreement; and (6) you are not in default under the Multiple Unit Franchise Agreement.

Development Time. The typical length of time between our acceptance of the Franchise Agreement and the opening of your Store varies from 5 to 10 months. This period may be longer or shorter, depending on the time of year, availability of financing, local construction delays, how soon you can attend training or other factors. You must complete development and open your Store within 9 months following the date of the Franchise Agreement if you sign a single unit Franchise Agreement. If you sign a Multiple Unit Franchise Agreement, you must complete development and open all of your Stores according to the Development Schedule.

Training. Our initial training program, the initial start up and commercial sales effectiveness training programs, are conducted primarily at our corporate training center in Pewaukee, Wisconsin and online. We currently offer the initial start up training program 11 to 13 times each year, with one training class generally offered each month. Before attending the on-site portion of the initial start up training program offered in Pewaukee, Wisconsin, you first must secure your site and complete our training program prerequisites, which covers battery product, bulb product, commercial selling and operations. That portion of the initial start up training program offered in Pewaukee, Wisconsin will last 2 weeks and includes classes conducted at other designated locations and on-the-job training provided at our local Stores. The initial start up training program includes instruction relating to Store operations, understanding the equipment and product use, costs and cash control, customer service, accountability for sales and marketing, methods of controlling operating costs and the Retail Management System. You also must complete additional virtual training covering human resources, selling, operations, and finance.

You may not open your Store unless each proposed Store manager who will oversee day-to-day operations and management of the Store (“Store Manager”) successfully completes the initial start up training program, including all online courses. We anticipate that you (if franchisee is an entity, a Principal Owner) will be a proposed Store Manager. If we determine that the proposed Store Manager is not qualified to manage the Store, we will allow you to select a substitute Store Manager to complete the initial start up training program.

While new franchise owners must successfully complete the all training programs, we will make available to new Store associates of existing franchise owners various tools included in the initial start up training program.

INITIAL START UP TRAINING PROGRAM FOR NEW FRANCHISE OWNERS

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Pre-Classroom Training			
Virtual Classroom	8	0	Instructor Led - Online
Self-Directed Learning	20	0	Self-Directed Learning
Classroom Training			
Building Your Services Business	2	0	Pewaukee, Wisconsin
Commercial Selling	4	0	Pewaukee, Wisconsin
Corporate Partnerships	2	0	Pewaukee, Wisconsin
Day-to-Day Operations	4	0	Pewaukee, Wisconsin
Envisioning the Future	3	0	Pewaukee, Wisconsin
Finance and Business Planning	4	0	Pewaukee, Wisconsin
Product Knowledge	14	0	Pewaukee, Wisconsin
Retail Selling	3	0	Pewaukee, Wisconsin
Systems	8	0	Pewaukee, Wisconsin
Selling Culture	4	0	Pewaukee, Wisconsin
In-Store Training	0	7	Location near Pewaukee, Wisconsin
Key FOB	8	0	Pewaukee, Wisconsin
Device Repair	24	0	Pewaukee, Wisconsin
Pre-Classroom Training			
In-Store Training (Beginning Q3)		40	Regionally
Pre-Opening Coaching	80		Provided remotely

A Principal Owner and the person responsible for commercial sales (if different) must participate in our Commercial Sales Effectiveness Program. The Program takes place before and after the Store opens. The program is a combination of instructor-led training in Pewaukee, Wisconsin, along with bi-weekly training and coaching phone calls between the participants and your assigned Sales Effectiveness Coach, as described in the schedule below:

COMMERCIAL SALES EFFECTIVENESS PROGRAM

Subject	Hours of Participation	Location
New Owner Commercial Sales Pre-Opening Kick Start	4 hours via phone and 4 hours in field canvassing	Remote Go To Meeting
New Owner Commercial Sales Introduction	4 hours classroom	Pewaukee
CRM Training & Click2Sell Training	2 hours coach training	Go to Meeting
In-Store Lead Generation	Varies: 2-4 hours	Remote Go to Meeting
Customer Follow-Up	Varies: 2-4 hours	Remote Go to Meeting
Lead Generation Utilizing Retail Management System Reports	Varies: 1-2 hours	Remote Go to Meeting
Time Management & Commercial Tools	1 hour	Remote Go to Meeting
Selling with TRUST Associate Scorecard	Varies: 1-2 hours	Remote Go to Meeting
Value Proposition	Varies: 2-4 hours	Remote Go to Meeting
Top Industry Training	Varies: 2-4 hours	Remote Go to Meeting
Ongoing Coaching Calls	Minimum 30 minutes weekly for the next 4-6 months	Remote Go to Meeting

We may change the content of the commercial sales training due to market conditions or other relevant factors impacting this segment of the business.

We will schedule calls with the participants and your assigned Sales Effectiveness Coach. The content of and agenda for those calls can vary based on commercial sales progress, but will be agreed upon by both the Principal Owner and the coach.

Before opening a Store, you or a proposed employee must successfully complete our Device Repair Training Program (“Device Repair Technician”) that takes place over three days. For a new franchisee opening their first Store, 2 individuals must participate in the program. The Device Repair Technician must then train additional employees within 30 days of opening. We expect that you will have a WISE Certified Device Repair Technician on staff during all hours of operation. Device Repair Training will be conducted each month at our Pewaukee, Wisconsin, training facility as part of the initial start up training program. The Device Repair Training Program is described in the initial start up training program above.

If you (if franchisee is an entity, a Principal Owner) will not be a Store Manager overseeing the day-to-day operation of the Store, 2 Store Managers who we have approved and who have successfully completed the training requirements described above must be on-staff at all times. In addition, you (if franchisee is an entity, a Principal Owner) must successfully complete designated portions of the initial start up training program.

The instructional materials for all training programs include the Batteries Plus® Online training modules, the Batteries Plus® Product, Operations, and Technical Training manuals, handouts and visual aids, and will include lecture, classroom discussion, hands-on demonstration and/or practice training at a Batteries Plus® Store. The content of the training programs may be modified periodically.

Our Director of Learning and Development, Karen Jirik, oversees all aspects of training. Ms. Jirik has been with us since 2019 in her role as Director of Learning and Development and has over 25 years of experience in leading strategic training and organizational development programs that are designed to attract, develop and retain top talent. Peter Bong, Director of Commercial Sales Effectiveness, is responsible for all aspects of commercial training and the Commercial Sales Effectiveness Program. Peter has been with us since 2019 and has an extensive background in commercial sales, sales training and sales coaching.

We do not charge a fee for the initial start up, commercial sales effectiveness, key fob or device repair training programs; provided that you successfully complete such programs. You are responsible for travel and living expenses that you and your proposed managers (if applicable) incur while attending any one of these training programs. See Item 7 for additional information on travel and living expenses. After you open your Store, each new Store Manager must attend and successfully complete one or more of the training programs that we designate. We may charge you a fee for this additional training. In addition, you (or the Principal Owner of a corporate franchisee) must attend the next Batteries Plus® national convention following your Store opening and attend at least 2 out of every 3 national conventions after your first convention. Each year, you must pay one National Convention Fee even if you do not attend. We currently charge a fee of approximately \$1,000 to attend the national convention. You or your Store Manager also must attend at least one-half of all regional workshops we offer. Currently, we charge a daily fee of \$0-\$500 for regional workshops. Finally, we may require or you may request that you (or the Principal Owner of a franchisee that is an entity), any Store Manager, any assistant Store Manager, Device Repair Technician or other key individuals attend supplemental and refresher training programs. In addition, if you default under the Franchise Agreement, we may require you to participate in Commercial as a Service or Inventory Planning as a Service for up to 12 months. We may determine the time and place of this additional training and may charge you a reasonable fee for the training.

Operations Manual. We will allow, during the term of the Franchise Agreement, electronic access to our Operations Manual (the “Operations Manual”). The current table of contents of the Operations Manual, as of March 1, 2022, is as follows:

Store Operations Manual	
Sections	Number of Topics
Introduction	2
Administrative	16
Product & Services	12
Laws & Regulations	5
Channels of Trade	10
Information Technology	9
Human Resources	7
Finance	11
Inventory Control & Management	17
Marketing	36
Store Operations	42
Support	4
Training	6
TOTAL	177

We provide you with electronic access to the Operations Manual as a series of electronic pages that may vary in size and number depending on the settings of your computer. As a result, we have included the number of topics covered in each section, rather than the number of pages. In addition, the Operations Manual also will include various portions of our Batteries Plus® Intranet site and several product catalogs which describe various batteries, light bulbs and related products as well as services offered at your Store.

Our Obligations Under the Multiple Unit Franchise Agreement. If we and you enter into a Multiple Unit Franchise Agreement, we and you will sign one Franchise Agreement at the time we and you sign the Multiple Unit Franchise Agreement. Except as described above, our obligations under the Franchise Agreement apply to a multiple unit franchisee. Each time we and a multiple unit franchisee signs another Franchise Agreement, our obligations are activated for the new Store to be established. Except as described above, we do not have separate obligations under the Multiple Unit Franchise Agreement.

ITEM 12

TERRITORY

FRANCHISE AGREEMENT

Territory/General. You will receive a “Protected Area” representing an area equal to the lesser of a 3 mile radius or 150,000 people surrounding the location of your Store when we and you sign the Franchise Agreement. The location of the Store and the Protected Area will be identified in Exhibit A to the Franchise Agreement. If you do not have a site for your Store when we and you sign the Franchise Agreement, you will sign Alternative Exhibit A to the Franchise Agreement and will have up to 150 days after the date of the Franchise Agreement to find a site for the Store (acceptable to us) within the designated geographic area. Once we approve a location within the geographic area established in Alternative Exhibit A, Batteries and you will then sign Exhibit A (which identifies the Protected Area). During the term of the Franchise Agreement, if you are complying with the provisions of the Franchise Agreement, we will not establish any other franchised or company-owned full-service Batteries Plus® store in the

Protected Area. In addition, we agree to assign to you (and you agree to accept) all rights and obligations respecting those e-commerce transactions (each a “Qualified E-Commerce Transaction”) in which: (1) a customer purchases through our Batteries Plus® website or other online portal any batteries, light bulbs and/or related products and accessories or device repair or other services; (2) the products will be shipped to the customer from our or our affiliate’s warehouse or from a designated third party warehouse or, if applicable, we or our affiliate performs the services requested, and (3) the customer: (a) selects your Store at which the customer will pick up the product(s) or desires to conduct business with you, or (b) does not select a specific franchisee or store but provides an address to which the products (or device for which services are performed) will be shipped which is within the lesser of a 20 mile radius of your Store location or an area encompassing a commercially reasonable estimate of a current population of 250,000 (the “E-Commerce Territory”). If a proposed e-commerce transaction falls within the E-Commerce Territory of more than one franchisee, we will assign the transaction to the franchisee whose Batteries Plus® store is closest to the address provided by the customer.

Except for your limited rights respecting Qualified E-Commerce Transactions, we (for ourselves and our affiliates) reserve the right, however, to sell in your Protected Area under the Licensed Marks through dissimilar channels of distribution (i.e., other than the operation of full-service Stores), including by electronic means such as the Internet and websites we establish. We also reserve the right to sell any products or services in your Protected Area under trademarks other than the Licensed Marks through similar or dissimilar channels of distribution, including by electronic means such as the Internet and by websites we establish. We may advertise the System on the Internet and may create, operate, change or discontinue the use of a website using the Licensed Marks. We may grant franchises anywhere outside your Protected Area (or Designated Area under the Multiple Unit Franchise Agreement). We may sell anywhere at both wholesale and retail all products and services which are not a part of the System. We also may operate and franchise others to operate retail stores using different trademarks even if these stores compete with the Stores.

You may relocate your Store only with our written consent, which we will not unreasonably withhold. If we permit you to relocate your Store, you will pay us a \$5,500 relocation fee for services we will provide in assisting you in relocating your Store. In addition, you will need to build out the Store consistent with our then-current standards for new Stores.

You cannot conduct any advertising or otherwise solicit customers outside the “market area” of your Store unless you obtain our prior written consent. The “market area” for your Store will be a 20 mile radius surrounding the location of your Store. You cannot solicit key accounts customers (under the Key Accounts Program) unless you receive our consent. We and other Batteries Plus® franchisees may advertise inside your Protected Area. In addition, we and other Batteries Plus® franchisees may serve customers who reside in your Protected Area without compensation to you, except to the extent we service a key accounts customer (see below).

Unless you entered into a Multiple Unit Franchise Agreement, we generally will not grant to you any options, rights of first refusal or similar rights to acquire additional franchises within a particular territory.

If you cannot open your Store by the deadline stated in the Franchise Agreement, you may request an extension to the time in which you must open the Store. You must pay us a non-refundable \$10,000 extension fee when you make the request. If we decide, in our discretion, to grant your request, the extension will be limited to the period of time we permit, not to exceed 6 months.

Ascent, our affiliate, has established a supply chain program that acquires batteries, light bulbs and related products for resale (through third parties) to Batteries Plus® franchisees. See Item 8 for further discussion.

Omni-Channel Program. We have implemented the Omni-Channel Program, which is designed to promote the offer and sale of various batteries, light bulbs and related items, as well as device repair and related services through one or more electronic channels of distribution to retail, key accounts and business customers. You must participate in this Program, and comply with the terms of the Omni-Channel Program (or any future or successor electronic commerce programs) and periodically will establish rules (as described in the Operations Manual) under which you may recognize revenues from the sale of products and services to customers in your Protected Area. We may sell products and services to customers in your Protected Area through the Omni-Channel Program. We may terminate, modify or replace the Omni-Channel Program at any time, although we cannot unilaterally modify certain e-commerce territory rights you receive under the Franchise Agreement.

Key Accounts Program. Within our Omni-Channel Program, we currently operate a “Key Accounts Program” designed to address the needs of certain multi-state or multiple location customers including group purchasing organizations, insurance providers and other large volume users with multiple shipping/service destinations. You must participate in the Key Accounts Program and comply with the terms of the Program as described in the Operations Manual or as we otherwise describe in writing. We may sell products to key accounts customers located in your Protected Area under the terms of the Key Accounts Program. You must agree to service key accounts customers within a certain service and revenue area. We have established the rules under which you will participate in this program, including the servicing of accounts, recognition of revenues received from key accounts customers and other matters. We may terminate, modify, or replace the Key Accounts Program at any time.

MULTIPLE UNIT FRANCHISE AGREEMENT

If you enter into a Multiple Unit Franchise Agreement, you will receive certain protected rights to develop more than one Store within a designated geographic area (the “Designated Area”) to be described in Exhibit A attached to the Multiple Unit Franchise Agreement. The size of the Designated Area will vary, depending on the number Stores you intend to open, the population density, and the demographics in the area in which you desire to operate. The Designated Area may be one or more counties or cities in rural areas, and may be a portion of a metropolitan statistical area in heavily-populated major cities. We will not establish another franchised or company-owned full-service Batteries Plus® store in the Designated Area so long as you meet the Development Schedule, satisfy our minimum capital requirements to develop the Store, comply with all other provisions described in the Multiple Unit Franchise Agreement and you otherwise comply with the provisions of each related Franchise Agreement. As described above, however, we have certain rights under Multiple Unit Franchise Agreement and each Franchise Agreement to sell products and services using the Licensed Marks or other marks using similar or dissimilar channels of distribution in the Designated Area. If you do not comply with the Development Schedule and the Multiple Unit Franchise Agreement, we may terminate the Multiple Unit Franchise Agreement or terminate your protected rights to develop Stores in the Designated Area and grant individual or multiple unit franchises within the Designated Area to third parties. As described in Item 6 above, you may request an extension to the date by which you must open a Store under the Development Schedule (limited to the period of time we allow, not to exceed 6 months).

Except as described above, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control.



You may compete with the stores operated by our affiliates and franchisees of our affiliates that are located near your Batteries Plus® Store. Item 1 describes our current affiliated franchise programs, most of which are not direct competitors of the Batteries Plus® system given the products/services they sell. There is no formal mechanism in place for resolving any conflict that may arise between your Batteries Plus® Store and the units of our affiliated franchise systems. However, we do not expect any material conflicts regarding territory, customers and franchise support.

ITEM 13

TRADEMARKS

We grant you the right to operate your Store under the name “Batteries Plus.” You also may use our other Licensed Marks to operate your Store. You do not receive any right under Multiple Unit Franchise Agreement to use the Licensed Marks. Those rights are granted under the Franchise Agreement.

The following schedule lists only the principal Licensed Marks that you are licensed to use. We have filed all required affidavits and renewal registrations for those Licensed Marks listed below.

Principal Trademarks	U.S. Registration No./Serial No.	Registration Date	Principal/Supplemental Register
BATTERIESPLUS (Design plus words) 	88742361	12/30/19	Principal
BATTERIES PLUS	3,322,549	10/30/07	Principal
	4,789,803	08/11/15	Principal

We have the right to periodically change the list of Licensed Marks. Your use of the Licensed Marks and any goodwill is to our exclusive benefit and you retain no rights in the Licensed Marks. You also retain no rights in the Licensed Marks when the Franchise Agreement expires or terminates. You are not permitted to make any changes or substitutions respecting the Licensed Marks unless we direct in writing. In addition to the Licensed Marks listed above, we registered the domain name “batteriesplus.com” on March 31, 1997, and “batteriesplusbulbs.com” on June 19, 2009. You may not use any Licensed Mark or portion of any Licensed Mark as part of any corporate or any trade name, or any modified form or in the sale of any unauthorized product or service, or in any unauthorized manner. You may not use any Licensed Mark or portion of any Licensed Mark on any website without our prior written approval.

There are currently no effective material determinations by the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving the Licensed Marks that are relevant to your use in any state. There are currently no agreements in effect that significantly limit our rights to use or license the use of any Licensed Marks in any manner material to the franchise.

You must immediately notify us of any apparent infringement of or challenge to your use of any Licensed Marks, and we have sole discretion to take any action we deem appropriate. We are unaware of any infringing uses or superior rights that could materially affect your use of the Licensed Marks.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of the Licensed Marks, or to participate in your defense or indemnify you. We reserve the right to control any litigation relating to the Licensed Marks and we will have the sole right to decide to pursue or settle any infringement actions relating to the Licensed Marks. You must notify us promptly of any infringement or unauthorized use of the Licensed Marks of which you become aware. If we determine that a trademark infringement action requires changes or substitutions to the Licensed Marks, you will make these changes or substitutions at your own expense.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do claim copyright ownership and protection for the Operations Manual and for certain other written materials we provide to assist you in operating your Store. The Batteries Plus Cross Reference Tool (ProSource RMS) is a registered copyright under registration number TXu 1-768-970 effective October 13, 2011. Other than this copyright registration, there are no patents or copyrights currently registered that are material to the franchise.

We own certain proprietary or confidential information relating to the operation of Stores, including information in the Operations Manual (“Confidential Information”). You must keep confidential during and after the term of the Franchise Agreement the Confidential Information. When your Franchise Agreement expires or terminates, you must return to us all Confidential Information and all other copyright material. You must notify us immediately if you learn of an unauthorized use of the Confidential Information. We are not obligated to take any action and we will have the sole right to decide the appropriate response to any unauthorized use of the Confidential Information. You must comply with all changes to the Operations Manual at your cost. We do acknowledge that we and you will jointly own Store customer data, other than key accounts customer data, that is located on the Retail Management System. We will periodically establish policies under which we or you may use this Store customer data. We currently share ownership of customer data for each key accounts customer with franchisees that will service that specific customer.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The Store must at all times be under your direct supervision (or, if you are a partnership, corporation or limited liability company, a Principal Owner or an operating manager who we have approved and who has satisfactorily completed the training program(s) that we designate). If an operating manager supervises the Store, you (or the Principal Owner) must remain active in overseeing Store operations, or you must complete a designated portion of our initial start up training program in Pewaukee, Wisconsin (or another location we designate) and you must have at least 2 Store Managers on-staff at all times who have completed the training program(s) we designate. If you enter into a Multiple Unit Franchise Agreement, you (or a Principal Owner or operating manager who we approve) must devote your full-time efforts to your obligations under the Multiple Unit Franchise Agreement. You (or the Principal Owner or operating manager) must supervise the development and operations of Stores franchised under the Multiple Unit Franchise Agreement, but need not be engaged in the day-to-day operations of any Store.

The person who is responsible for the day-to-day supervision of the Multiple Unit Franchise Agreement or any Store (i.e., the Principal Owner or approved operating manager) assumes his/her responsibilities on a full-time basis and may not engage in any other business or other activity that requires

any significant management responsibility, time commitments, or otherwise may conflict with his/her obligations. If you are a corporation, partnership or limited liability company, you may not engage in any business or activities other than the ownership and operation of Stores under Multiple Unit Franchise Agreements or Franchise Agreements that we grant. In addition, the Principal Owner and any designated operating manager must successfully complete our initial and commercial sales field training programs, as described in Item 11.

Each individual who owns a 10% or greater interest in the franchisee entity is considered a “Principal Owner” and must sign the Guaranty and Assumption of Obligations attached to the Franchise Agreement (and the Multiple Unit Franchise Agreement, if applicable). These people agree to discharge all obligations of the franchisee entity to us under the Franchise Agreement and are bound by all of its provisions, including maintaining the confidentiality of Confidential Information described in Item 14 and complying with the non-compete covenants described in Item 17. In addition, all of your employees who have managerial duties at the Store, as well as all corporate officers and directors of a corporate franchisee entity (all partners in a partnership), must sign a written agreement to maintain the confidentiality of our Confidential Information described in Item 14.

If at any time you do not manage the Store (or if you are a partnership, corporation or limited liability company, the designated Principal Owner) or an approved manager who has satisfactorily completed our initial start up training program does not manage the Store, we immediately may appoint a manager to manage the Store for you and charge you a reasonable fee for these management services.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell in your Store all, and only, those batteries, light bulbs and related products, equipment and services that we have approved (See Item 8). You must at all times maintain an inventory of approved batteries, light bulbs and related products and equipment in such quantities and variety that we direct. We may add new products or services that you must offer at your Store. Our right to modify the approved list of goods and services to be offered at a Store is not limited.

We may conduct market research and testing to determine consumer trends regarding new batteries, light bulbs, and other products and services. You must participate in our market research programs, test market new products and services in the Store and provide us with timely reports and other relevant information regarding market research. We may require that you purchase a reasonable quantity of the tested products and promote and make a reasonable effort to sell these products.

As described in Item 12 above, we launched the Omni-Channel Program in 2015, through which we will operate (among other activities) a Key Accounts Program. Each new franchisee must participate in the Omni-Channel Program, including the Key Accounts Program, and service key accounts customers in their service and revenue area. In addition, key accounts customers may establish certain service requirements for products and services sold to them.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

Provision	Section in Agreement(1)	Summary(1)
a. Length of the franchise term	Section 3; Section 3 of Multiple Unit Franchise Agreement	Franchise Agreement: 10 years. Multiple Unit Franchise Agreement: Ends on last day of Development Schedule.
b. Renewal or extension of the term	Section 3	If you are in good standing, you can renew the Franchise Agreement for one additional 10 year term.
c. Requirements for you to renew or extend	Section 3	Provide advance notice, comply with current Franchise Agreement, you and your Store Manager satisfactorily complete any new/refresher training programs, you and your Principal Owners must meet current managerial, financial and business standards, sign new agreement (which may contain materially different terms and conditions than your original Franchise Agreement), remodel, pay renewal fee and Omni-Channel access renewal fee, and sign a general release of claims.
d. Termination by you	Section 17	If you comply with the Franchise Agreement, and we fail to cure a material provision within 60 days after written notice.
e. Termination by us without cause	Not Applicable	
f. Termination by us with cause	Section 16; Section 13 of Multiple Unit Franchise Agreement	We may terminate the Franchise Agreement and Multiple Unit Franchise Agreement only if you default.
g. "Cause" defined – curable defaults	Sections 16(B) and (C); Section 13(A) of Multiple Unit Franchise Agreement	Franchise Agreement: You have 30 days to cure failure to open Store when required, failure to complete training, failure to comply with System standards, fail to renew or maintain Store lease, and a violation of any material provision of the Agreement. You have 10 days to cure a failure to pay amounts due us or any creditors. Multiple Unit Franchise Agreement: You have 30 days to cure failure to meet development requirements, failure to comply with this Agreement or the Franchise Agreement or you terminate a franchise Agreement without cause, and failure to comply with any requirements in the Operations Manual. You have 10 days to cure a failure to pay amounts due us or any creditors.

Provision	Section in Agreement(1)	Summary(1)
h. "Cause" defined – non-curable defaults	Sections 16(B) and (C); Section 13(B) of Multiple Unit Franchise Agreement	<p>Franchise Agreement: Failure on 3 or more occasions in any 12 months to comply with any provision, default which is not curable, repeatedly deceive Store customers, conviction of or proof that you have committed a felony or other crime which harms the Store’s reputation, insolvency, an assignment of assets to creditors, Store abandonment, defaults which injures the goodwill associated with the Licensed Marks, use of unapproved website or other unauthorized conduct on the internet, unauthorized assignment of agreement or interest, and intentionally falsify any information provided to us.</p> <p>Multiple Unit Franchise Agreement: Failure on 3 or more occasions in any 12 months to comply with any provision, unauthorized assignment, material misrepresentation or omission in franchise application, conviction of or proof that you have committed a felony or other crime that harms Store’s reputation, improper disclosure of Confidential Information, insolvency, unauthorized use of Licensed Marks that injures goodwill, use of unapproved website or other unauthorized conduct on the internet, default which is not curable or an immediate threat or danger to public health or safety resulting from construction, maintenance or operation of the Store.</p>
i. Your obligations on termination/nonrenewal	Section 18; Section 13(C) of Multiple Unit Franchise Agreement	<p>Franchise Agreement: Pay all amounts due us (including future lost royalties, service fees and NMF Fees) within 10 days of termination if termination was due to your breach of the Franchise Agreement), stop using and return (or destroy at our option) manuals and other materials, assign to us the Store telephone number and telephone listing or (at our option) disconnect the telephone number, remove all signs and other materials containing any Licensed Marks, comply with obligations under the Proprietary Software license/access agreements, cancel all fictitious or assumed name filings, cease using Confidential Information, agree not to divert Store customers to any competing business for 2 years and redecorate the Store premises (also see o, r below).</p> <p>Multiple Unit Franchise Agreement: lose rights to open Stores under agreement and agree not to divert Store customers to any competing business for 2 years.</p>
j. Assignment of contract by us	Section 15(A); Section 16(A) of Multiple Unit Franchise Agreement	Assignee must fulfill our obligations under the agreement.
k. "Transfer" by you-defined	Section 15(C); Section 18 of Multiple Unit Franchise Agreement	<p>Franchise Agreement: Includes transfer of Store or its assets, or your interest in agreement or any significant ("controlling interest") ownership change.</p> <p>Multiple Unit Franchise Agreement: Includes transfer of agreement or assets or ownership change.</p>

Provision	Section in Agreement(1)	Summary(1)
l. Our approval of transfer by franchisee	Sections 15(B), (C) and (D); Sections 16(B), (C) and (D) of Multiple Unit Franchise Agreement	We have the right to approve all transfers of the Franchise Agreement and the Multiple Unit Franchise Agreement, but will not unreasonably withhold approval.
m. Conditions for our approval of transfer	Section 15(C); Section 17(B) of Multiple Unit Franchise Agreement	<p>Franchise Agreement: New franchisee qualifies and completes training, all amounts owed us or our affiliates are paid, and you are in good standing, new franchisee signs then-current agreement (or, at our option, assumes current form), we approve transfer agreement, transfer fee, Transfer Store Marketing Campaign and prorated portion of Omni-Channel access fee (if applicable) paid, lease assigned (if applicable), you sign non-compete agreement and general release. No transfer fee for transfer to immediate family member.</p> <p>Multiple Unit Franchise Agreement: New Multiple Unit Franchisee qualifies and has completed our initial training program, you are in compliance with the agreement, you pay the transfer fee, and you must sign a general release.</p>
n. Our right of first refusal to acquire your business	Section 15(F)	We can match any offer for your business.
o. Our option to purchase your business	Section 18(C)	When the Franchise Agreement expires or terminates, we may purchase the assets we designate at book value.
p. Your death or disability	Section 15(D)	Franchise must be assigned by estate to an approved buyer within reasonable time not exceeding 12 months.
q. Non-competition covenants during the term of the franchise	Section 14(B); Section 15(A) of Multiple Unit Franchise Agreement	<p>Franchise Agreement: No involvement in wholesale or retail battery or light bulb-related product business, or related products, any device repair or other services offered at a Batteries Plus® store, or other competing business (including any e-commerce business).</p> <p>Multiple Unit Franchise Agreement: No involvement in wholesale or retail battery or light bulb-related product business or any business offering device repair or other services offered at a Batteries Plus® store (including any e-commerce business) or other competing business other than one authorized under a Batteries Plus® Franchise Agreement.</p>

Provision	Section in Agreement(1)	Summary(1)
r. Non-competition covenants after the franchise is terminated or expires	Sections 14(C) and 18(A); Section 15(B) of Multiple Unit Franchise Agreement	<p>Franchise Agreement: No wholesale or retail battery or light bulb-related products, any device repair or other services offered at a Batteries Plus® store, or any other competing business for two years within 15 miles of your location or within 15 miles of another Store. Also, no e-commerce business that solicits customers within 15 mile radius of any Store.</p> <p>Multiple Unit Franchise Agreement: No wholesale or retail battery or light bulb-related products, any device repair or other services offered at a Batteries Plus® store, or any other competing business for two years within 15 miles of any Store in Designated Area or within 15 miles of another Store. Also, no e-commerce business that solicits customers within 15 mile radius of any Store.</p>
s. Modification of the agreement	Sections 1(B), 1(G), 10(E) and 20(F); Section 18(F) of Multiple Unit Franchise Agreement	<p>Franchise Agreement: No modifications generally, except in writing. We may modify Operations Manual, Licensed Marks, System and goods/services to be offered to your Store.</p> <p>Multiple Unit Franchise Agreement: No modifications generally, except in writing.</p>
t. Integration/merger clause	Section 20(L); Section 18(L) of Multiple Unit Franchise Agreement	<p>Franchise Agreement: Only the terms of the Franchise Agreement (including exhibits) and the Disclosure Acknowledgement Agreement are binding (subject to state law). Any other promises may not be enforceable.</p> <p>Multiple Unit Franchise Agreement: Only the terms of the Multiple Unit Franchise Agreement are binding (subject to state law). Any other promises may not be enforceable.</p>
u. Dispute resolution by arbitration or mediation	Section 19; Section 17 of Multiple Unit Franchise Agreement	<p>Franchise Agreement: Except for actions we bring for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes first will be subject to non-binding mediation at our headquarters in Hartland, Wisconsin, then (if not resolved) to binding arbitration in Milwaukee, Wisconsin.</p> <p>Multiple Unit Franchise Agreement: Except for actions we bring us for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes first will be subject to non-binding mediation at our headquarters in Hartland, Wisconsin, then (if not resolved) to binding arbitration in Milwaukee, Wisconsin.</p>

Provision	Section in Agreement(1)	Summary(1)
v. Choice of forum	Section 20(D); Section 18(D) of Multiple Unit Franchise Agreement	Franchise Agreement: Litigation not subject to arbitration must be in Waukesha County, Wisconsin (subject to state law). Multiple Unit Franchise Agreement: Litigation not subject to arbitration must be in Waukesha County, Wisconsin (subject to state law).
w. Choice of law	Section 20(E); Section 18(E) of Multiple Unit Franchise Agreement	Franchise Agreement: Apply law of the state in which your Store is located. This is not a waiver of any right you may have under the General Business Law of New York. Multiple Unit Franchise Agreement: Apply law of the state in which your principal business is located. This is not a waiver of any right you may have under the General Business Law of New York.

(1) Unless otherwise noted, section references and summaries are to the Franchise Agreement.

ITEM 18

PUBLIC FIGURES

We do not use any public figure to promote our franchise.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Under Section I below, we have provided merchandise margin and percentage of net revenue in total and by customer type based on franchised - owned Stores. Under Section II below, we have provided an unaudited statement of net revenue by performance for franchised and company-owned Stores. Under Section III below, we have provided unaudited statements of net revenue, expenses, and EBITDA for company-owned Stores. The information below is based on performance during the period from January 1, 2021 through December 31, 2021 (“2021 Fiscal Year”). Information for franchise-owned Stores has been taken from their respective Retail Store Management systems. We have not audited or verified these reports nor have we asked questions of the submitting franchisees to determine whether they are in fact accurate and complete, although we have no information or other reason to believe that they are unreliable. We do not know whether the information was prepared consistent with generally accepted accounting principles.

I. January 1, 2021 to December 31, 2021 Unaudited Statement Of Average Merchandise Margin, Net Revenue Percentage Increase, And Percentage Of Net Revenue By Customer Type of Franchised Stores

The following statements are based on information reported by all franchise-owned Stores in operation during the 2021 Fiscal Year. There were 590 total franchised Stores open as of December 31, 2021. Of these Stores, 2 are small market test stores that we currently do not offer under this Disclosure Document and 2 Stores temporarily closed during the 2021 Fiscal Year. The remaining 586 franchised Stores are referred to as “All Stores”. Of the 586 All Stores, there were 564 franchise-owned Stores that were in operation for the entire 2021 Fiscal Year (the “Same Stores”). The Same Stores do not include 24 Stores acquired by our affiliates during the 2021 Fiscal Year, 17 Stores that closed during the 2021 Fiscal Year or 22 Stores that opened during 2021 Fiscal Year, but do include 4 Stores that franchisees purchased from our affiliates during the 2021 Fiscal Year.

A. Statement of Average Merchandise Margin for Same Stores

This statement includes information on the average Merchandise Margin percentage for Same Stores for both retail and commercial customers for the 2021 Fiscal Year. This statement includes information from Same Stores only (564).

2021 Same Store Merchandise Margin		
Stores	Merchandise Margin Percentage	Customer Type
564	52%	Retail and Commercial

- (1) For purposes of this Item 19, the term “Net Revenue” means all revenues received from the sale of goods and services, whether for cash or by check, credit card or trade, in connection with the Store, less sales tax, discounts and customer refunds and returns.
- (2) For purposes of this statement, the term “Merchandise Margin” is Net Revenue less “product cost.” “Product cost” is the cost of the product only and does not include other cost of goods such as freight, warranty expense or inventory shrinkage. “Merchandise Margin Percentage” is Merchandise Margin divided by Net Revenue multiplied by 100.

B. Statement of Average Merchandise Margin for All Stores

This statement includes information comparing the total average Merchandise Margin percentage for All Stores retail Net Revenue with the total average Merchandise Margin for All Stores commercial Net Revenue for the 2021 Fiscal Year. This statement includes information from All Stores (586).

2021 All Store Merchandise Margin by Customer Type		
Stores	Merchandise Margin Percentage	Customer Type
586	58%	Retail
586	38%	Commercial

C. Statement of Average Retail and Commercial Percentage of Net Revenue for All Stores

This statement includes information comparing average retail Net Revenue and commercial Net Revenue as a percentage of total average Net Revenue for All Stores for the 2021 Fiscal Year. This statement includes information from All Stores (586).

2021 All Store Percentage of Net Revenue by Customer Type		
Stores	Percentage of Net Revenue	Customer Type
586	72%	Retail
586	28%	Commercial

D. Impact of Commercial Net Revenue Percentage and Cross-Selling Activity on Overall Average Net Revenue

The statement below examines the impact of Commercial Net Revenue and retail cross-selling activity on overall Average Store Net Revenue based on the results of all 564 franchised Same Stores that were in operation for at least 12 full months as of December 31, 2021. The data included below is based on sales activity for the 2021 Fiscal Year. The first chart shows the Average Net Revenue for the 586 Same Stores based on the percentage of total Store Net Revenue devoted to Commercial Net Revenue. That chart shows Average Net Revenue for those Same Stores with Commercial Net Revenue exceeding 35% of total Net Revenue as well as the Average Net Revenue for those Same Stores with Commercial Net Revenue at or below 35% of total Net Revenue. The second chart shows the Average Net Revenue for the 586 Same Stores based on the average number of retail adjusted items (products) purchased per each transaction. The retail adjusted items per ticket are those distinct items or products (versus multiple units of a single item or product) a customer purchased during a single transaction, excluding coupons. That chart shows Average Net Revenue for those Same Stores with an average of more than 1.30 Retail Adjusted Items per Transaction as well as the Average Net Revenue for those Same Stores with an average of 1.30 or fewer Retail Adjusted Items per Transaction.

Store Group	2021 Median Net Revenue	2021 Average Net Revenue	Range	2021 Average Merchandise Margin	# of Stores	# of Stores Above Average Net Revenue	% of Stores Above Average Net Revenue	Average Store Age as of Dec 31, 2021
More than 35% of Total Net Revenue is Commercial Sales	\$998,486	\$1,135,316	\$327,613 - \$6,315,295	\$543,232	110	39	35%	15
Less than or equal to 35% of Total Net Revenue is Commercial Sales	\$734,417	\$798,396	\$164,464 - \$3,288,780	\$431,710	454	188	41%	13
More than 1.30 Retail Adjusted Lines per Transaction	\$872,921	\$996,702	\$254,243 - \$6,315,295	\$522,757	256	102	40%	13
Less than or equal to 1.30 Retail Adjusted Lines per Transaction	\$661,230	\$753,900	\$164,464 - \$3,349,032	\$395,864	308	128	42%	14

E. Average Ticket Sales and Lines Per Ticket

The data included below is based on sales activity during the 2021 Fiscal Year for the 564 Same Stores. The “Average Sales Ticket Amount” is the average Net Revenue per transaction for items (products) sold in the Store (excluding coupons, core charges, labor charges and related items). The “Adjusted Lines Per Ticket” is the average number of distinct items or products (versus multiple units of a single item or product) a customer purchased during a single transaction (excluding coupons). The chart below includes the Average Sales Ticket Amount and Adjusted Lines per Ticket by transaction for retail customers, commercial customers and combined retail and commercial customers.

	Retail Only		Commercial Only		Retail and Commercial Combined	
	<u>Average Sales Ticket Amount</u>	<u>Adjusted Lines per Ticket</u>	<u>Average Sales Ticket Amount</u>	<u>Adjusted Lines per Ticket</u>	<u>Average Sales Ticket Amount</u>	<u>Adjusted Lines per Ticket</u>
Average	\$44.56	1.24	\$202.27	1.38	\$56.76	1.25
Median	\$43.58	1.23	\$176.47	1.37	\$53.84	1.24
# (%) of Stores at / above the Average	247 (44%)	216 (38%)	204 (36%)	240 (43%)	231 (41%)	229 (42%)

II. Unaudited Statements Of Average Net Revenue for the 2021 Fiscal Year.

Tables A-1, B-1 and C-1 below includes the Average Net Revenue for the 2021 Fiscal Year for all 112 corporate Stores that were in operation for at least 12 full months as of December 31, 2021, including 24 corporate Stores that were acquired from franchisees during the 2021 Fiscal Year.

Tables A-2, B-2 and C-2 below includes the Average Net Revenue for the 2021 Fiscal Year for the 564 franchised Same Stores that were in operation for at least 12 full months as of December 31, 2021.

Tables A-3, B-3 and C-3 below includes the Average Net Revenue for the 2021 Fiscal Year for the combined Stores (586 franchised Same Stores and 112 corporate Stores) that were in operation for at least 12 full months as of December 31, 2021.

The tables in Section A include Average Net Revenue by quartile based on Store performance. The tables in Section B include Average Net Revenue by thirds based on Store performance. The tables in Section C show Average Net Revenue or a subset of all stores by percentages based on Store performance as compared to all stores in the data set.

A. Unaudited Statements Of Average Net Revenue by Quartile

Table A-1 - Corporate Stores						
	<u>Number of Corporate Stores</u>	<u>Average Net Revenue</u>	<u>Median Net Revenue</u>	<u>Highest Net Revenue</u>	<u>Lowest Net Revenue</u>	<u>Number and Percentage of Stores Above Average Net Revenue</u>
Top Quartile	28	\$1,417,505	\$1,277,686	\$2,486,927	\$1,152,883	10 (36%)
Second Quartile	28	\$1,032,623	\$1,034,464	\$1,142,982	\$919,769	14 (50%)
Third Quartile	28	\$813,685	\$825,291	\$915,989	\$714,090	16 (57%)
Bottom Quartile	28	\$596,830	\$598,921	\$704,640	\$478,739	16 (57%)
All Corporate Stores	112	\$965,161	\$917,879	\$2,486,927	\$478,739	50 (45%)

Table A-2 – Franchised Same Stores						
	<u>Number of Franchised Stores</u>	<u>Average Net Revenue</u>	<u>Median Net Revenue</u>	<u>Highest Net Revenue</u>	<u>Lowest Net Revenue</u>	<u>Number and Percentage of Stores Above Average Net Revenue</u>
Top Quartile	141	\$1,467,261	\$1,284,984	\$6,315,295	\$1,054,267	44 (31%)
Second Quartile	141	\$891,843	\$880,134	\$1,052,719	\$771,504	66 (47%)
Third Quartile	141	\$657,996	\$655,482	\$769,985	\$554,348	67 (48%)
Bottom Quartile	141	\$439,330	\$453,330	\$553,417	\$164,464	81 (57%)
All Franchised Same Stores	564	\$864,108	\$770,745	\$6,315,295	\$164,464	222 (39%)

Table A-3 - Corporate and Franchised Same Stores						
	<u>Number of Stores</u>	<u>Average Net Revenue</u>	<u>Median Net Revenue</u>	<u>Highest Net Revenue</u>	<u>Lowest Net Revenue</u>	<u>Number and Percentage of Stores Above Average Net Revenue</u>
Top Quartile	169	\$1,461,834	\$1,284,984	\$6,315,295	\$1,073,358	52 (31%)
Second Quartile	169	\$919,438	\$910,605	\$1,070,237	\$798,776	79 (47%)
Third Quartile	169	\$684,014	\$683,525	\$798,573	\$581,016	84 (50%)
Bottom Quartile	169	\$458,115	\$471,160	\$580,872	\$164,464	94 (56%)
All Corporate and Franchised Same Stores	676	\$880,850	\$798,674	\$6,315,295	\$164,464	269 (40%)

B. Unaudited Statements Of Average Net Revenue by Thirds

Table B-1 - Corporate Stores						
	<u>Number of Corporate Stores</u>	<u>Average Net Revenue</u>	<u>Median Net Revenue</u>	<u>Highest Net Revenue</u>	<u>Lowest Net Revenue</u>	<u>Number and Percentage of Stores Above Average Net Revenue</u>
Top Third	37	\$1,343,947	\$1,189,005	\$2,486,927	\$1,085,841	13 (35%)
Middle Third	37	\$923,230	\$919,769	\$1,057,175	\$802,203	18 (49%)
Bottom Third	38	\$637,170	\$630,591	\$798,573	\$478,739	19 (50%)
All Corporate Stores	112	\$965,161	\$917,879	\$2,486,927	\$478,739	50 (45%)

Table B-2 – Franchised Same Stores						
	<u>Number of Franchised Stores</u>	<u>Average Net Revenue</u>	<u>Median Net Revenue</u>	<u>Highest Net Revenue</u>	<u>Lowest Net Revenue</u>	<u>Number and Percentage of Stores Above Average Net Revenue</u>
Top Third	188	\$1,347,211	\$1,190,659	\$6,315,295	\$925,634	60 (32%)
Middle Third	188	\$769,483	\$770,745	\$921,735	\$607,968	95 (51%)
Bottom Third	188	\$475,629	\$490,160	\$607,125	\$164,464	101 (54%)
All Franchised Same Stores	564	\$864,108	\$770,745	\$6,315,295	\$164,464	222 (39%)

Table B-3 - Corporate and Franchised Stores						
	<u>Number of Stores</u>	<u>Average Net Revenue</u>	<u>Median Net Revenue</u>	<u>Highest Net Revenue</u>	<u>Lowest Net Revenue</u>	<u>Number and Percentage of Stores Above Average Net Revenue</u>
Top Third	225	\$1,351,297	\$1,189,005	\$6,315,295	\$957,677	73 (32%)
Middle Third	225	\$796,902	\$798,776	\$953,475	\$649,628	115 (51%)
Bottom Third	226	\$496,062	\$513,189	\$648,569	\$164,464	124 (55%)
All Corporate and Franchised Same Stores	676	\$880,850	\$798,674	\$6,315,295	\$164,464	269 (40%)

C. Unaudited Statements Of Average Net Revenue by Percentages

Table C-1 - Corporate Stores					
	Top 10%	Top 25%	Top 50%	Top 75%	
# of Stores	11	28	56	84	
Average Net Revenue	\$1,725,899	\$1,417,505	\$1,225,064	\$1,087,938	
Median Net Revenue	\$1,501,282	\$1,277,686	\$1,147,933	\$1,034,464	
Highest Net Revenue	\$2,486,927	\$2,486,927	\$2,486,927	\$2,486,927	
Lowest Net Revenue	\$1,404,557	\$1,152,883	\$919,769	\$714,090	
# (and %) of Stores at / above Average Net Revenue	3 (27%)	10 (36%)	16 (29%)	35 (42%)	
	Bottom 10%	Bottom 25%	Bottom 50%	Bottom 75%	All Stores
# of Stores	11	28	56	84	112
Average Net Revenue	\$530,838	\$596,830	\$705,257	\$814,379	\$965,161
Median Net Revenue	\$541,193	\$598,921	\$709,365	\$825,291	\$917,879
Highest Net Revenue	\$580,872	\$704,640	\$915,989	\$1,142,982	\$2,486,927
Lowest Net Revenue	\$478,739	\$478,739	\$478,739	\$478,739	\$478,739
# (and %) of Stores at / above Average Net Revenue	6 (55%)	16 (57%)	28 (50%)	44 (52%)	50 (45%)

Table C-2 - Franchised Same Stores					
	Top 10%	Top 25%	Top 50%	Top 75%	
# of Stores	56	141	282	423	
Average Net Revenue	\$1,893,562	\$1,467,261	\$1,179,552	\$1,005,700	
Median Net Revenue	\$1,731,500	\$1,284,984	\$1,053,493	\$880,134	
Highest Net Revenue	\$6,315,295	\$6,315,295	\$6,315,295	\$6,315,295	
Lowest Net Revenue	\$1,363,144	\$1,054,267	\$771,504	\$554,348	
# (and %) of Stores at / above Average Net Revenue	17 (30%)	44 (31%)	99 (35%)	157 (37%)	
	Bottom 10%	Bottom 25%	Bottom 50%	Bottom 75%	All Stores
# of Stores	56	141	282	423	564
Average Net Revenue	\$356,384	\$439,330	\$548,663	\$663,057	\$864,108
Median Net Revenue	\$359,531	\$453,548	\$553,883	\$655,482	\$770,745
Highest Net Revenue	\$425,304	\$553,417	\$769,985	\$1,052,719	\$6,315,295
Lowest Net Revenue	\$164,464	\$164,464	\$164,464	\$164,464	\$164,464
# (and %) of Stores at / above Average Net Revenue	31 (55%)	81 (57%)	145 (51%)	202 (48%)	222 (39%)

Table C-3 - Corporate and Franchised Same Stores					
	Top 10%	Top 25%	Top 50%	Top 75%	
# of Stores	67	169	338	507	
Average Net Revenue	\$1,866,713	\$1,461,834	\$1,190,636	\$1,021,762	
Median Net Revenue	\$1,668,494	\$1,284,984	\$1,071,798	\$910,605	
Highest Net Revenue	\$6,315,295	\$6,315,295	\$6,315,295	\$6,315,295	
Lowest Net Revenue	\$1,369,783	\$1,073,358	\$798,776	\$581,016	
# (and %) of Stores at / above Average Net Revenue	22 (33%)	52 (31%)	112 (33%)	196 (39%)	
	Bottom 10%	Bottom 25%	Bottom 50%	Bottom 75%	All Stores
# of Stores	67	169	338	507	676
Average Net Revenue	\$370,558	\$458,115	\$571,064	\$687,189	\$880,850
Median Net Revenue	\$383,219	\$471,160	\$580,944	\$683,525	\$798,674
Highest Net Revenue	\$452,165	\$580,872	\$798,573	\$1,070,237	\$6,315,295
Lowest Net Revenue	\$164,464	\$164,464	\$164,464	\$164,464	\$164,464
# (and %) of Stores at / above Average Net Revenue	37 (55%)	94 (56%)	176 (52%)	249 (49%)	269 (40%)

III. Unaudited Statement of Net Revenue, Cost of Goods, Payroll, Marketing, Royalties, and Gross Profit for the 2021 Fiscal Year.

The statements in the table below discloses average annual Store Net Revenue, Cost of Goods Sold, and other expenses based on historical information for the 2021 Fiscal Year for the 88 company-owned Stores that were in operation for at least 12 full months as of December 31, 2021 and that our affiliate owned for the entire 12-month period (“Company-Owned Stores”). As of December 31, 2021, there were 112 corporate Stores in operation, but 24 corporate Stores were excluded because our affiliate purchased these Stores from franchisees during the 2021 Fiscal Year and did not own or operate these Stores during the entire 12-month period ended December 31, 2021. The statements below also do not include 3 corporate stores that closed during the 2021 Fiscal Year or 4 corporate stores that were sold to franchisees during the 2021 Fiscal Year.

	Top Third of Company-Owned Stores by EBITDA	Middle Third of Company-Owned Stores by EBITDA	Bottom Third of Company-Owned Stores by EBITDA	All Company-Owned Stores by EBITDA
Number of Stores	29	30	29	88
Net Revenue	\$1,297,893	\$909,161	\$619,984	\$941,969
Cost of Goods Sold	\$642,519	\$465,162	\$317,458	\$474,934
Gross Profit Margin	\$655,375	\$443,999	\$302,526	\$467,035
Wages & Comp	\$171,159	\$141,051	\$124,576	\$145,543
Selling Expense	\$19,760	\$14,631	\$11,249	\$15,207
Delivery Expense	\$5,470	\$5,289	\$4,935	\$5,232
Facilities & Office	\$72,921	\$73,023	\$73,032	\$72,992
Admin Expense	\$14,118	\$13,035	\$12,983	\$13,375
Marketing	\$64,895	\$45,458	\$30,999	\$47,098
Royalties	\$64,895	\$45,458	\$30,999	\$47,098
Total Expenses	\$413,218	\$337,944	\$288,774	\$346,546
EBITDA	\$242,157	\$106,055	\$13,752	\$120,489

The following information supplements the information in the chart above:

	Top Third	Middle Third	Bottom Third	All Stores
Median EBITDA	\$184,777	\$100,983	\$12,416	\$97,596
Range of EBITDA	\$147,509 to \$618,389	\$57,939 to \$145,755	\$(39,332) to \$57,158	\$(39,332) to \$618,389
# (%) of Stores that met/exceeded average	10 (35%)	16 (53%)	14 (48%)	38 (43%)

The statements in the table below discloses average monthly Store Net Revenue, Cost of Goods Sold, and other expenses based on historical information for the company-owned Stores that were in operation for at least 12 full months as of December 31, 2021. The monthly statements in the table below include information from the 21 company-owned Stores that our affiliate acquired from franchisees following acquisition of the Store; provided that the affiliate acquired the Store by the 15th of each month. For example, if our affiliate acquired a Store on the 5th of a month, that Store data was included for that month. If our affiliate acquired a Store on the 20th of a month, that Store data was not included until the following month. The statements below do not include 7 corporate stores that closed during the 2021 Fiscal Year.

2021	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Annual
# of Stores	88	96	96	96	96	96	96	102	102	102	102	108	108
Net Revenue	\$70,451	\$67,654	\$85,308	\$81,946	\$78,293	\$82,855	\$76,823	\$78,185	\$76,474	\$81,002	\$78,922	\$79,947	\$938,134
Cost of Goods Sold	\$33,903	\$34,264	\$43,934	\$41,760	\$39,525	\$43,047	\$38,903	\$40,766	\$38,105	\$39,984	\$38,622	\$37,883	\$470,697
Gross Profit Margin	\$36,548	\$33,390	\$41,374	\$40,187	\$38,768	\$39,808	\$37,920	\$37,419	\$38,642	\$41,018	\$40,300	\$42,064	\$467,437
Wages	\$12,426	\$10,747	\$12,622	\$12,127	\$11,724	\$12,191	\$12,826	\$11,126	\$12,150	\$13,034	\$11,904	\$12,938	\$145,813
Selling Expense	\$1,144	\$1,008	\$1,372	\$1,243	\$1,323	\$1,290	\$1,270	\$1,393	\$1,252	\$1,512	\$1,343	\$1,315	\$15,465
Delivery Expense	\$472	\$323	\$398	\$424	\$422	\$362	\$434	\$463	\$361	\$437	\$378	\$442	\$4,914
Facilities & Office	\$6,245	\$5,914	\$6,055	\$6,127	\$5,995	\$5,957	\$6,349	\$5,773	\$6,130	\$6,353	\$5,990	\$6,145	\$73,033
Admin Expense	\$1,037	\$1,241	\$1,116	\$1,182	\$1,049	\$1,096	\$1,053	\$1,388	\$972	\$1,037	\$1,429	\$819	\$13,420
Marketing	\$3,523	\$3,383	\$4,265	\$4,097	\$3,915	\$4,143	\$3,841	\$3,909	\$3,837	\$4,050	\$3,946	\$3,997	\$46,907
Royalties	\$3,523	\$3,383	\$4,265	\$4,097	\$3,915	\$4,143	\$3,841	\$3,909	\$3,837	\$4,050	\$3,946	\$3,997	\$46,907
Total Expenses	\$28,369	\$25,998	\$30,093	\$29,299	\$28,343	\$29,181	\$29,614	\$27,961	\$28,539	\$30,472	\$28,937	\$29,653	\$346,459
EBITDA	\$8,179	\$7,391	\$11,281	\$10,887	\$10,425	\$10,627	\$8,306	\$9,457	\$10,103	\$10,546	\$11,363	\$12,410	\$120,978

The following information supplements the information in the chart above:

2021	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Average Net Revenue	\$70,451	\$67,654	\$85,308	\$81,946	\$78,293	\$82,855	\$76,823	\$78,185	\$76,747	\$81,002	\$78,922	\$79,947
Median Net Revenue	\$64,528	\$60,225	\$79,660	\$77,263	\$71,565	\$78,348	\$72,724	\$71,419	\$75,105	\$78,799	\$74,881	\$76,547
Range of Net Revenue (low)	\$29,519	\$15,617	\$33,564	\$36,033	\$35,937	\$36,172	\$34,531	\$9,471	\$37,362	\$38,866	\$35,909	\$33,699
Range of Net Revenue (high)	\$180,956	\$289,260	\$394,955	\$186,860	\$204,923	\$202,783	\$180,581	\$375,211	\$186,371	\$248,975	\$165,283	\$176,355
# (%) of Stores that met/exceeded average	39 (44%)	38 (40%)	44 (46%)	41 (43%)	42 (44%)	41 (43%)	43 (45%)	40 (39%)	44 (43%)	43 (42%)	44 (43%)	46 (43%)
Average EBITDA	\$8,179	\$7,391	\$11,281	\$10,887	\$10,425	\$10,627	\$8,306	\$9,457	\$10,103	\$10,546	\$11,363	\$12,410
Median EBITDA	\$6,937	\$5,397	\$10,298	\$9,308	\$9,109	\$9,484	\$7,464	\$7,061	\$9,564	\$9,787	\$10,333	\$11,092
Range EBITDA (low)	\$(5,086)	\$(8,267)	\$(5,287)	\$(4,056)	\$(3,385)	\$(2,731)	\$(7,207)	\$(7,881)	\$(19,120)	\$(19,711)	\$(5,875)	\$(4,848)
Range EBITDA (high)	\$49,503	\$41,839	\$53,335	\$55,630	\$51,312	\$53,536	\$52,482	\$59,489	\$50,056	\$50,891	\$51,120	\$49,195
# (%) of Stores that met/exceeded average	40 (46%)	40 (42%)	43 (45%)	43 (45%)	42 (44%)	45 (47%)	44 (46%)	39 (38%)	47 (46%)	48 (47%)	49 (48%)	51 (47%)

“Annual” refers to the sum total of all months’ averages for each category.

The following notes apply to both tables in Section III above:

- A. “Net Revenue” means the average Net Revenues of the company-owned Stores for the applicable month during the 2021 calendar year. “Net Revenue” means all revenues received from the sale of goods and services, whether for cash or by check, credit card or trade, in connection with the Store, less sales tax, discounts and customer refunds and returns.
- B. “Cost of Goods Sold” is the average of all company-owned Stores’ product costs, including the cost of the product, discounts earned, cost of customer repairs, recycling charges, restocking fees, purchase price variances, redistribution costs, core recovery, tech center supplies, freight in, warranty expense, bulb breakage, and coupon discrepancy. Cost of Goods Sold does not include inventory shrinkage and inventory scrap. Franchisees’ Stores may perform similarly but will be impacted by differences in product category sales mix, inventory management and operational execution.
- C. “Gross Profit Margin” means Net Revenue less the Cost of Goods Sold.
- D. “Wages” include wages (including overtime), sales incentive wages, and payroll taxes for all in-store employees. Included are wages for the Store manager. There are no wages included for any dedicated employee to conduct external commercial sales activities. We presume that, in a single franchised Store, the owner-operator will either be the Store manager or will be responsible for the external commercial sales activity and will not receive a separate salary or draw from Store Net Revenues. Wages also do not include 401K contributions, group health insurance, paid time off, or commissions. Franchisees may experience similar wage expenses but will be impacted by staffing model decisions (which franchisees alone must decide), market driven pay rate differences and individual Store staff performance.
- D. “Selling Expenses” include credit card fees, national account administration fees and uniform expenses.
- E. “Delivery Expense” includes vehicle gas, vehicle insurance expenses, and shipping expenses.
- F. “Facilities and Office” includes business insurance, building rent, CAM, property tax, security, snow removal and lawn care, utilities and waste management.
- G. “Admin” includes IT data lines, IT Maintenance fee, supplies and telephone expense.
- E. The company-owned Stores do not pay a royalty fee and are not required to spend 5% of Net Revenue on marketing (which includes the Digital Marketing Fee). Franchisees would have incurred these expenses. As a result, we have included these amounts in these tables as if the Company-Owned Stores had incurred these expenses in the stated amounts, “Royalties” and “Marketing” respectively.
- F. “EBITDA” is calculated by taking the Gross Profit Margin and subtracting the Total Expenses.
- G. You will incur additional expenses, including the following: facility services, property taxes, rent, building repairs, equipment repairs, security services, snow removal and lawn care, insurance, Omni Channel Fee, computer support, credit card fees, taxes, shipping expenses, vehicle expenses (including gas, insurance, and repairs), samples, service charges, supplies, postage, employee welfare, bad debt expense, donations, dues and subscriptions, payroll processing, human resources/personnel, IT support and repairs, banking fees, legal fees, tax preparation, accounting, bookkeeping, business meals and entertainment, utilities, janitorial services, waste removal services, Key Account Program administrative fees and commissions, meetings, printed selling materials, tools and small equipment, travel, uniforms, depreciation and amortization expenses, and all other miscellaneous expenses.

The company-owned stores included in Item 19 are substantially similar to the Stores for which we are offering franchises in this disclosure document, and their products and services are the same as those offered and sold by franchised Stores. These company-owned stores reflect a wide range of demographics and business conditions found in urban, suburban and single store markets.

Some Stores have attained the results described above in Sections I, II, and III. Your individual results may differ. There is no assurance you will do as well.

We will, on reasonable demand, provide to you written substantiation for all information illustrated in this Item 19.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future revenue and/or income, you should report it to the franchisor’s management by contacting Linda Grota, Batteries Plus, L.L.C., at 1325 Walnut Ridge Drive, Suite 100, Hartland, Wisconsin 53029, (262) 912-3000, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

**TABLE NUMBER 1
Systemwide Store Summary
For Years 2019-2021**

Store Type	Year	Stores at the Start of the Year	Stores at the End of the Year	Net Change
Franchised	2019	662	643	-19
	2020	643	605	-38
	2021	605	590	-15
Company-Owned	2019	78	85	+7
	2020	85	95	+10
	2021	95	112	+17
Total Stores	2019	740	728	-12
	2020	728	700	-28
	2021	700	702	+2

TABLE NUMBER 2
Transfers of Stores From Franchisee to New Owners (Other than the Franchisor)
For Years 2019-2021

State	Year	Number of Transfers
Alabama	2019	0
	2020	4
	2021	0
Arizona	2019	13
	2020	2
	2021	1
California	2019	1
	2020	0
	2021	0
Colorado	2019	0
	2020	0
	2021	1
Florida	2019	8
	2020	0
	2021	1
Georgia	2019	0
	2020	2
	2021	3
Illinois	2019	2
	2020	0
	2021	3
Kentucky	2019	1
	2020	0
	2021	0
Louisiana	2019	0
	2020	1
	2021	0
Michigan	2019	0
	2020	0
	2021	2
Minnesota	2019	8
	2020	0
	2021	0
Missouri	2019	3
	2020	0
	2021	0

State	Year	Number of Transfers
Nevada	2019	0
	2020	0
	2021	5
New Jersey	2019	1
	2020	0
	2021	0
New Mexico	2019	0
	2020	1
	2021	1
North Carolina	2019	0
	2020	6
	2021	4
Pennsylvania	2019	0
	2020	0
	2021	2
South Carolina	2019	0
	2020	12
	2021	0
Texas	2019	2
	2020	2
	2021	11
Utah	2019	0
	2020	0
	2021	5
Virginia	2019	0
	2020	4
	2021	0
TOTAL	2019	39
	2020	34
	2021	39

TABLE NUMBER 3
Status of Franchised Stores
For Years 2019-2021

State	Year	Stores at the Start of the Year	Stores Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Stores at the End of the Year
Alabama	2019	9	0	0	0	0	0	9
	2020	9	0	0	0	0	0	9
	2021	9	4	0	0	0	0	13
Alaska	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
Arizona	2019	21	2	0	0	0	0	23
	2020	23	1	0	0	0	0	24
	2021	24	2	0	0	0	1	25
Arkansas	2019	4	0	0	0	0	0	4
	2020	4	0	0	0	0	1	3
	2021	3	0	0	0	0	0	3
California	2019	41	0	0	0	0	3	38
	2020	38	0	0	0	0	0	38
	2021	38	4	0	0	0	1	41
Colorado	2019	18	0	0	0	0	0	18
	2020	18	0	0	0	0	0	18
	2021	18	1	0	0	8	0	11
Connecticut	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
Florida	2019	60	2	0	0	0	1	61
	2020	61	2	0	0	0	0	63
	2021	63	1	0	0	0	4	60
Georgia	2019	31	1	1	0	0	0	31
	2020	31	0	0	0	2	1	28
	2021	28	1	0	0	0	0	29
Hawaii	2019	1	0	1	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Idaho	2019	5	1	0	0	0	0	6
	2020	6	0	0	0	0	0	6
	2021	6	1	0	0	0	0	7
Illinois	2019	24	0	0	1	2	1	20
	2020	20	0	0	0	0	0	20
	2021	20	0	0	0	1	0	19

State	Year	Stores at the Start of the Year	Stores Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Stores at the End of the Year
Indiana	2019	18	0	0	0	0	0	18
	2020	18	1	0	0	0	1	18
	2021	18	0	0	0	0	0	18
Iowa	2019	9	0	0	0	0	1	8
	2020	8	0	0	0	0	0	8
	2021	8	1	0	0	0	0	9
Kansas	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
Kentucky	2019	10	0	0	0	1	0	9
	2020	9	0	0	0	0	0	9
	2021	9	0	0	1	0	0	8
Louisiana	2019	5	0	0	0	0	0	5
	2020	5	0	0	0	0	1	4
	2021	4	0	0	0	0	0	4
Maine	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	1	1
	2021	1	0	0	0	0	0	1
Maryland	2019	7	2	0	0	0	1	8
	2020	8	0	0	0	0	0	8
	2021	8	0	0	0	0	1	7
Massachusetts	2019	5	0	0	0	0	1	4
	2020	4	0	0	0	0	1	3
	2021	3	0	0	0	0	0	3
Michigan	2019	24	1	0	0	0	0	25
	2020	25	0	1	0	0	1	23
	2021	23	0	0	0	0	0	23
Minnesota	2019	22	0	0	0	0	0	22
	2020	22	0	0	0	0	0	22
	2021	22	1	0	0	0	0	23
Mississippi	2019	6	1	0	0	0	1	6
	2020	6	0	0	0	0	0	6
	2021	6	0	0	0	0	0	6
Missouri	2019	17	1	0	0	3	0	15
	2020	15	0	0	0	0	1	14
	2021	14	0	0	0	5	1	8
Montana	2019	6	1	0	0	0	0	7
	2020	7	0	0	0	0	0	7
	2021	7	0	0	0	0	0	7

State	Year	Stores at the Start of the Year	Stores Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Stores at the End of the Year
Nebraska	2019	4	0	0	0	0	0	4
	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
Nevada	2019	10	0	0	0	0	1	9
	2020	9	0	0	0	0	0	9
	2021	9	0	0	0	0	0	9
New Hampshire	2019	5	0	0	0	0	0	5
	2020	5	0	0	0	0	0	5
	2021	5	1	0	0	0	0	6
New Jersey	2019	13	0	0	0	0	2	11
	2020	11	1	0	0	0	3	9
	2021	9	0	0	0	0	1	8
New Mexico	2019	4	0	0	0	0	1	3
	2020	3	0	0	0	0	0	3
	2021	3	1	0	0	0	0	4
New York	2019	4	0	0	0	0	1	3
	2020	3	0	0	0	0	1	2
	2021	2	0	1	0	0	0	1
North Carolina	2019	31	0	0	0	0	1	30
	2020	30	0	0	0	6	0	24
	2021	24	1	0	0	0	0	25
North Dakota	2019	4	0	0	0	0	0	4
	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
Ohio	2019	23	0	0	0	0	1	22
	2020	22	0	0	0	0	1	21
	2021	21	0	0	0	6	0	15
Oklahoma	2019	9	0	0	0	0	0	9
	2020	9	0	0	0	0	1	8
	2021	8	0	0	0	0	0	8
Oregon	2019	12	1	0	0	0	0	13
	2020	13	0	0	0	0	0	13
	2021	13	0	0	0	0	0	13
Pennsylvania	2019	18	0	0	0	0	0	18
	2020	18	0	0	0	0	0	18
	2021	18	0	0	0	0	1	17
South Carolina	2019	20	0	0	0	0	0	20
	2020	20	0	0	0	11	0	9
	2021	9	0	0	0	0	0	9

State	Year	Stores at the Start of the Year	Stores Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Stores at the End of the Year
South Dakota	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Tennessee	2019	17	0	0	0	0	0	17
	2020	17	0	0	0	0	1	16
	2021	16	2	0	0	0	0	18
Texas	2019	65	1	0	0	1	4	61
	2020	61	0	0	0	2	3	56
	2021	56	2	0	0	0	4	54
Utah	2019	11	0	0	0	0	0	11
	2020	11	0	0	0	0	2	9
	2021	9	0	0	0	0	0	9
Virginia	2019	23	0	0	0	0	3	20
	2020	20	0	0	0	0	1	19
	2021	19	0	0	0	4	1	14
Washington	2019	18	0	0	0	0	0	18
	2020	18	0	0	0	0	0	18
	2021	18	1	0	0	0	0	19
West Virginia	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Wisconsin	2019	6	0	0	0	0	0	6
	2020	6	0	0	0	0	0	6
	2021	6	2	0	0	0	0	8
Wyoming	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Puerto Rico	2019	6	0	0	0	0	0	6
	2020	6	0	0	0	0	0	6
	2021	6	0	0	0	0	0	6
TOTAL	2019	662	14	2	1	7	23	643
	2020	643	5	1	0	21	21	605
	2021	605	26	1	1	24	15	590

TABLE NUMBER 4
Status of Company-Owned Stores
For Years 2019-2021

State	Year	Stores at the Start of the Year	Stores Opened	Stores Reacquired From Franchisees	Stores Closed	Stores Sold to Franchisees	Stores at the End of the Year
Alabama	2019	3	0	0	0	0	3
	2020	3	0	0	0	0	3
	2021	3	0	0	0	3	0
Colorado	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	8	0	0	8
Florida	2019	10	0	0	0	0	10
	2020	10	0	0	1	0	9
	2021	9	0	0	0	0	9
Georgia	2019	0	0	0	0	0	0
	2020	0	0	2	0	0	2
	2021	2	0	0	0	0	2
Iowa	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	1	0
Illinois	2019	10	0	2	1	0	11
	2020	11	0	0	1	0	10
	2021	10	0	1	1	0	10
Kansas	2019	4	0	0	0	0	4
	2020	4	0	0	1	0	3
	2021	3	0	0	1	0	2
Kentucky	2019	0	0	1	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
Louisiana	2019	2	0	0	0	0	2
	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
Massachusetts	2019	2	0	0	0	0	2
	2020	2	0	0	1	0	1
	2021	1	0	0	0	0	1
Missouri	2019	1	0	3	1	0	3
	2020	3	0	0	0	0	3
	2021	3	0	5	0	0	8
New York	2019	0	3	0	0	0	3
	2020	3	0	0	3	0	0
	2021	0	0	0	0	0	0

State	Year	Stores at the Start of the Year	Stores Opened	Stores Reacquired From Franchisees	Stores Closed	Stores Sold to Franchisees	Stores at the End of the Year
North Carolina	2019	0	0	0	0	0	0
	2020	0	0	6	0	0	6
	2021	6	0	0	0	0	6
Ohio	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	6	0	0	6
South Carolina	2019	0	0	0	0	0	0
	2020	0	0	11	0	0	11
	2021	11	0	0	0	0	11
Tennessee	2019	8	0	0	0	0	8
	2020	8	0	0	1	0	7
	2021	7	0	0	0	0	7
Texas	2019	9	1	1	1	0	10
	2020	10	0	2	2	0	10
	2021	10	0	0	0	0	10
Virginia	2019	5	0	0	0	0	5
	2020	5	0	0	0	0	5
	2021	5	0	4	0	0	9
Wisconsin	2019	23	0	0	1	0	22
	2020	22	0	0	1	0	21
	2021	21	0	0	1	0	20
TOTAL	2019	78	4	7	4	0	85
	2020	85	0	21	11	0	95
	2021	95	0	24	3	4	112

TABLE NUMBER 5
Projected Openings
As of December 31, 2021

State	Franchise Agreements Signed But Store Not Opened	Projected New Franchised Stores in the Next Fiscal Year	Projected New Company-Owned Stores in the Current Fiscal Year
Alaska	1	0	0
Arizona	3	1	0
California	4	2	0
Colorado	1	0	0
Florida	2	1	0
Georgia	2	1	0
Idaho	2	0	0
Illinois	3	0	0

State	Franchise Agreements Signed But Store Not Opened	Projected New Franchised Stores in the Next Fiscal Year	Projected New Company-Owned Stores in the Current Fiscal Year
Iowa	1	0	0
Kansas	1	0	0
Louisiana	1	1	0
Maryland	2	0	0
Missouri	2	0	0
Nevada	1	0	0
New Hampshire	1	1	0
New Jersey	2	1	0
New York	1	0	0
North Carolina	0	1	0
Ohio	1	0	0
Oregon	1	0	0
Pennsylvania	1	1	0
Puerto Rico	1	1	0
South Carolina	1	0	0
Texas	1	2	0
Utah	0	2	0
TOTAL	36	15	0

The names, addresses and telephone numbers of all Batteries Plus® franchisees as of January 31, 2022, are listed in Exhibit D.

Also listed on Exhibit D is the name and last known city, state and business telephone number (or, if unknown, home telephone number) of every franchisee who has had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us since January 31, 2022.

If you buy a Batteries Plus® franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, current or former franchisees have signed confidentiality agreements. In certain instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Batteries Plus® franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

As described in Item 11, we have established a Franchisee advisory council (“FAC”). The FAC does not have an address, telephone number, email address or Web address. The FAC and related committees advise us on various franchise related matters. In addition, the following independent franchisee organization has asked to be included in this disclosure document: IA-BPF; PO Box 10158, Palm Desert, CA 92255-1058; phone: 619-209-3775; Email: ia-bpf@aafdchapters.org.

ITEM 21

FINANCIAL STATEMENTS

Attached as Exhibit A are Batteries' 2021-2020 financial statements which include consolidated balance sheets for Batteries as of December 31, 2021, and December 31, 2020; and the related consolidated statements of income, members' equity and cash flows for each of the years ended December 31, 2021, and December 31, 2020. Also attached as Exhibit A are Batteries' 2020-2019 financial statements which include consolidated balance sheets for Batteries as of December 31, 2020, and December 31, 2019; and the related consolidated statements of income, members' equity and cash flows for each of the years ended December 31, 2020, and December 31, 2019.

ITEM 22

CONTRACTS

The Multiple Unit Franchise Agreement is attached as Exhibit B and the Franchise Agreement (including Lease Addendum, Back Office Software Access Agreement, ProSource RMS Software Agreement and Personal Guaranty) is attached as Exhibit C. The form of General Release is included in Exhibit F. The Disclosure Acknowledgment is attached as Exhibit G.

ITEM 23

RECEIPTS

Two copies of an acknowledgment of your receipt of this disclosure document are included at the end of this disclosure document (Exhibit I). You should keep one copy as your file copy and return the second copy to us.

EXHIBIT A
FINANCIAL STATEMENTS



Consolidated Financial Statements and Report of Independent Certified Public Accountants

Batteries Plus, LLC and Subsidiaries

December 31, 2021 and 2020

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors and Shareholders
Batteries Plus, LLC

Opinion

We have audited the consolidated financial statements of Batteries Plus, LLC (a Wisconsin Limited Liability Corporation) and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the related consolidated statements of net income, comprehensive income, member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton LLP

Milwaukee, Wisconsin
February 28, 2022

Batteries Plus, LLC and Subsidiaries

CONSOLIDATED BALANCE SHEETS

**December 31,
(In thousands)**

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets		
Cash	\$ 840	\$ 8,325
Accounts receivable, net	24,655	25,189
Merchandise inventories, net	65,478	42,623
Prepaid expenses	4,896	3,023
Due from national marketing fund	<u>1,783</u>	<u>2,358</u>
Total current assets	97,652	81,518
Property and equipment		
Furniture, fixtures and equipment	10,140	9,793
Vehicles	1,606	1,665
Leasehold improvements	3,527	3,214
Software	10,978	9,522
Capital lease	<u>786</u>	<u>768</u>
	27,037	24,962
Accumulated depreciation	(14,631)	(13,330)
Construction in process	<u>6,920</u>	<u>5,603</u>
Total property and equipment	19,326	17,235
Other assets		
Goodwill, net	21,639	12,400
Other intangible assets, net	255,132	270,135
Notes receivable	<u>245</u>	<u>448</u>
Total other assets	<u>277,016</u>	<u>282,983</u>
Total assets	<u>\$ 393,994</u>	<u>\$ 381,736</u>
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities		
Accounts payable	\$ 31,552	\$ 27,355
Accrued salaries and benefits	7,585	6,178
Note payable - store repurchase	1,736	5,744
Accrued warranty	3,253	3,080
Other accrued expenses	7,259	5,899
Due to franchisees	51	506
Current portion of contract liability	1,272	1,313
Current portion of capital lease obligation	<u>182</u>	<u>171</u>
Total current liabilities	52,890	50,246
Non-current liabilities		
Capital lease obligation, less current portion	112	244
Contract termination	582	724
Contract liability, less current portion	6,356	5,743
Other non-current liability	<u>-</u>	<u>861</u>
Total non-current liabilities	7,050	7,572
Member's equity	<u>334,054</u>	<u>323,918</u>
Total liabilities and member's equity	<u>\$ 393,994</u>	<u>\$ 381,736</u>

The accompanying notes are an integral part of these consolidated financial statements.

Batteries Plus, LLC and Subsidiaries

CONSOLIDATED STATEMENTS OF NET INCOME

Years ended December 31,
(In thousands)

	<u>2021</u>	<u>2020</u>
Merchandise sales	\$ 275,740	\$ 234,148
Cost of merchandise sold	<u>175,795</u>	<u>156,206</u>
Gross profit	99,945	77,942
Other operating income		
Franchise fees	879	713
Royalty fees	23,109	22,804
Supplier commissions	6,264	7,210
Marketing fund	19,097	16,762
Other fees	<u>7,346</u>	<u>6,045</u>
	56,695	53,534
Operating expenses		
Selling and delivery	14,144	10,604
Occupancy	8,647	8,676
General and administrative	74,457	61,365
Advertising	1,725	2,801
Marketing fund	19,097	16,752
Depreciation	3,535	3,512
Amortization	<u>14,938</u>	<u>15,013</u>
	<u>136,543</u>	<u>118,723</u>
Operating income	20,097	12,753
Other expense		
Interest expense	(99)	(170)
Taxes	(19)	(9)
Interest income	<u>1</u>	<u>1</u>
Other expense, net	<u>(117)</u>	<u>(178)</u>
NET INCOME	<u>\$ 19,980</u>	<u>\$ 12,575</u>

The accompanying notes are an integral part of these consolidated financial statements.

Batteries Plus, LLC and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

**Years ended December 31,
(In thousands)**

	<u>2021</u>	<u>2020</u>
Net income	\$ 19,980	\$ 12,575
Other comprehensive income (loss)		
Foreign currency translation (loss) gain	<u>(26)</u>	<u>56</u>
Comprehensive income	<u>\$ 19,954</u>	<u>\$ 12,631</u>

The accompanying notes are an integral part of these consolidated financial statements.

Batteries Plus, LLC and Subsidiaries

CONSOLIDATED STATEMENTS OF MEMBER'S EQUITY

**Years ended December 31,
(In thousands)**

	<u>2021</u>	<u>2020</u>
Total member's equity at beginning of year	\$ 323,918	\$ 331,220
Net income	19,980	12,575
Stock-based compensation	224	289
Distributions to member	(10,042)	(20,222)
Foreign currency translation (loss) gain	<u>(26)</u>	<u>56</u>
Total member's equity at end of year	<u><u>\$ 334,054</u></u>	<u><u>\$ 323,918</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

Batteries Plus, LLC and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31,
(In thousands)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Net income	\$ 19,980	\$ 12,575
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for doubtful accounts	22	13
Stock-based compensation expense	224	289
Inventory subsidy to franchisees	560	676
Write-off of notes receivable	176	-
Depreciation	3,535	3,512
Amortization	14,938	15,013
(Gain) loss on sale of property and equipment	(139)	890
Provision for inventory obsolescence reserve	232	629
Changes in operating assets and liabilities:		
Accounts receivable	632	(2,297)
Merchandise inventories	(21,490)	1,425
Prepaid expenses	(1,808)	269
Due national marketing fund	575	(1,831)
Accounts payable	4,000	(3,531)
Accrued salaries and benefits	1,407	3,052
Accrued warranty	173	66
Other accrued expenses	128	2,959
Due to franchisees	(455)	143
Deferred revenue	572	(743)
Contract termination	(142)	212
	<u>23,120</u>	<u>33,321</u>
Cash flows from investing activities:		
Purchase of property and equipment	(2,295)	(1,250)
Development of internal-use software	(2,730)	(3,274)
Payments received on notes receivable	33	37
Corporate-owned store acquisitions	(10,207)	(4,758)
Sale of corporate-owned stores	474	-
Proceeds from sales of property and equipment	27	47
	<u>(14,698)</u>	<u>(9,198)</u>
Cash flows from financing activities:		
Principal payments on capital lease	(121)	(161)
Payments on notes payable from corporate store purchase	(5,744)	-
Cash distributions to member	(10,042)	(20,222)
	<u>(15,907)</u>	<u>(20,383)</u>
NET (DECREASE) INCREASE IN CASH	<u>(7,485)</u>	<u>3,740</u>
Cash at beginning of year	<u>8,325</u>	<u>4,585</u>
Cash at end of year	<u>\$ 840</u>	<u>\$ 8,325</u>
Non-cash investing and financing activities:		
Purchases of property and equipment in accounts payable	\$ 548	\$ 352
Note payable in exchange for store acquisition	\$ 1,736	\$ 5,744

The accompanying notes are an integral part of these consolidated financial statements.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021 and 2020
(in thousands)

NOTE A - NATURE OF BUSINESS

Basis of Presentation

The accompanying consolidated financial statements include the accounts of Batteries Plus, LLC (Batteries Plus) and its wholly owned subsidiaries Ascent Battery Supply, LLC (Ascent) and Batteries Plus Hong Kong Limited (Hong Kong) and Hong Kong's wholly owned subsidiary Batteries Plus Shenzhen Co. (Shenzhen), hereinafter collectively referred to as the Company. All material intercompany transactions and balances have been eliminated in consolidation. The Company is wholly owned by its parent Square Brands International LLC, which in turn is a wholly owned subsidiary of Batteries Plus Holding Corporation (Holdings). Holdings is a wholly owned subsidiary of BPB Buyer Corp (Buyer), which in turn is a wholly owned subsidiary of BPB Holding Corp. (BPB).

Batteries Plus and Ascent are organized as limited liability companies. Hong Kong and Shenzhen are foreign entities incorporated under the laws of their respective country.

Nature of Business

Batteries Plus operates and franchises a national chain of stores, doing business as Batteries Plus, in the United States of America and Puerto Rico whose operations are in the commercial and retail distribution of batteries, light bulbs and related products, and device repair and service. The following is the store count activity as of December 31, 2021 and 2020:

	<u>Franchise</u>	<u>CPS</u>	<u>Total Stores</u>
January 1, 2020	643	85	728
Openings	5	-	5
Closings	(22)	(11)	(33)
CPS Buyback	(21)	21	-
December 31, 2020	<u>605</u>	<u>95</u>	<u>700</u>
Openings	22	-	22
Closings	(16)	(3)	(19)
CPS Refranchise	4	(4)	-
CPS Buyback	(24)	24	-
December 31, 2021	<u><u>591</u></u>	<u><u>112</u></u>	<u><u>703</u></u>

Batteries Plus provides franchisees with a system of business training, site location, marketing, advertising programs and management support designed to assist the franchisee in opening and operating a Batteries Plus store.

Ascent operates a supply chain which purchases, warehouses and distributes inventory for the Batteries Plus owned and franchised stores.

Hong Kong and Shenzhen are utilized by Ascent and Batteries Plus to source inventory.

NOTE B - SUMMARY OF ACCOUNTING POLICIES

Use of Estimates

Management uses estimates and assumptions in preparing the consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
(in thousands)

assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

Cash

The Company considers all petty cash and checking accounts to be cash.

Accounts Receivable

Accounts receivable are stated at the amount the Company expects to collect from outstanding balances. The Company extends unsecured trade credit to its customers in the ordinary course of business, but mitigates the associated credit risk by performing credit checks, establishing credit limits and actively pursuing past due accounts. Trade credit is generally extended on a short-term basis. Thus, trade accounts receivables do not bear interest or finance charges. The Company provides for probable uncollectible amounts through a charge to earnings and a credit to valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after the Company has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Merchandise Inventories

Inventories, which primarily consist of merchandise held for resale, are stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out (Ascent) or average-cost (Batteries Plus operated stores) method.

Notes Receivable

Notes receivable are stated at the amount the Company expects to collect from outstanding balances. Interest income on notes receivable is recognized using the effective-interest method. Based on the Company's assessment of the credit history with franchises having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year end will be immaterial.

Property and Equipment

Property and equipment are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Estimated useful lives range from three to ten years for furniture, fixtures and equipment, five years for vehicles, five to ten years for leasehold improvements and three to seven years for software.

Internal-Use Software

Costs related to internal-use software are expensed as incurred until the preliminary project stage is completed and the application development stage is reached. During the application development stage, costs of certain development activities are capitalized. Such costs can include external direct costs, direct payroll and payroll-related costs, and interest costs. Internal-use software is carried at cost and amortized straight-line over seven years beginning when the asset is placed in service.

Capital expenditures for internal-use software totaled \$2,730 and \$3,274 for the years ended December 31, 2021 and 2020, respectively.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
(in thousands)

Retail Management System (RMS)

During 2020, the Company changed its software vendors and settled a dispute with a software vendor resulting in the Company receiving \$1,500. As a result of this settlement, the Company reduced the amount held in construction in process by \$1,500 and recorded a charge of \$200 to Ascent for items that held no future benefit.

At December 31, 2021 and 2020, there is approximately \$1,000 remaining in construction in process related to this project that the Company determined has future value.

As of December 31, 2021, the Company had placed into service a total cost of \$6,901. There were no capital expenditures for this project in 2021 and 2020. Accumulated depreciation totaled \$3,760 and \$2,588 as of December 31, 2021 and 2020, respectively. The Company had billed franchisees for a share of the accumulated operating costs for this development. Fees collected by the Company are included in contract liability on the consolidated balance sheets and will be amortized monthly over a seven-year period, consistent with the estimated useful life of the asset.

Impairment of Long-Lived Assets

Long-lived assets, consisting primarily of property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable from future, undiscounted cash flows expected to be generated by the asset. If the asset is not fully recoverable, an impairment loss would be recognized for the difference between the carrying value of the asset and its estimated fair value based on discounted net future cash flows. There was an impairment assessment of property and equipment in 2021 and 2020, which resulted in no impairment to long-lived assets.

Goodwill and Other Intangible Assets

Goodwill represents the excess of the purchase price over the fair value of assets acquired and liabilities assumed at the date of acquisition. Goodwill is not amortized, but is assessed for impairment at the reporting unit level annually on October 31, or when events or conditions indicate that the goodwill might be impaired. Other intangible assets consist of contractual relationship, proprietary software, customer relationships and trade name. Finite-lived intangible assets are amortized on a straight-line basis over their estimated useful lives. Indefinite-lived intangible assets are not amortized, but assessed for impairment at least annually or when events or conditions indicate they might be impaired. There was no impairment of goodwill and certain other intangible assets in 2021 and 2020.

Foreign Currency Translation

The Company's foreign subsidiaries use their respective local currency as their functional currency. Assets and liabilities of foreign subsidiaries are translated at period-end exchange rates and income and expenses have been translated using the average exchange rates for the period. The effects of translation adjustments are reported as a separate component of accumulated other comprehensive income or loss entitled foreign currency translation. Transaction gains and losses are recorded in earnings and were not significant for any periods presented.

Revenue Recognition

The company recognizes revenue under Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (ASC 606) under the guidelines which are stated below.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
(in thousands)

The Company has made an accounting policy election to exclude from the measurement of the transaction price all taxes assessed by governmental authorities that are collected by the Company from its customers, including sales, value add, and other taxes.

The Company has applied the practical expedient and records as an expense the incremental costs of obtaining contracts with customers in the period of occurrence when the amortization period of the asset that the Company otherwise would have recognized is one year or less.

Economic factors, consumer confidence, and consumer income levels affect the nature, amount, timing, and uncertainty of revenue and cash flows.

Merchandise Sales

Revenues are recognized for Batteries Plus operated stores as products are shipped to the customer. These sales are paid for at the time of sale primarily in cash or credit card. Remaining sales are made on account with the vast majority of customers having payment terms of 30 days. Revenues are recognized by Ascent as products are shipped to franchised stores. At shipment, on a common carrier, the franchise obtains control of the product. The majority of variable consideration in the Company's contracts include a form of rebates, discounts, and returns which are not constrained. However, within the context of the contract, these are not considered to be a material right as they are offered as a standard provision in the majority of contracts. Sales rebates and discounts are recorded at the time of sale. There is no provision for estimated returns as these are considered to be immaterial over the 30-day return period. The Company only offers an assurance type warranty on products sold, and there is not material service to the customer beyond fixing defects that existed at the time of sale. No warranties are sold separately and there are no extended warranties. The transaction price includes merchandise sales and is based upon a standalone selling price.

The Company records shipping revenue as an offset to shipping expense as a fulfillment activity as the shipping and handling activities are performed before the customer obtains control of the good.

Franchise, Royalty, Marketing Fund, and Other Fees

Batteries Plus enters into individual and multiple-unit franchise agreements. Individual franchise agreements grant the individual the right to open and operate a franchise store in the franchisee's individual territory. Multiple-unit franchise agreements grant the franchisee the right to establish and own a specified number of Batteries Plus stores within a defined geographic area pursuant to a development schedule. The fees for the individual franchise agreement and a portion of the fees for the multiple-unit franchise agreement are payable upon execution of the agreement and are nonrefundable. The remaining fees for multiple-unit franchise agreements are payable upon execution of the franchise agreement for each store developed pursuant to the multiple unit franchise agreement.

The franchise agreement between the Company as the franchisor and the franchisee as the customer requires the Company to perform various activities to support the brand that do not directly transfer goods and services to the franchisee, but instead represent a single performance obligation, which is the transfer of the franchise license. The intellectual property subject to the franchise license is symbolic intellectual property as it does not have significant standalone functionality. The nature of the Company's promise in granting the franchise license is to provide the franchisee with access to the brand's symbolic intellectual property over the term of the license. The services provided by the Company are highly interrelated with the franchise license and as such are considered to represent a single performance obligation. The transaction price in a standard franchise agreement primarily consists of: (a) initial franchise/development fees; (b) continuing franchise fees (royalties and other fees); and (c) marketing fund fees. Since the

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
(in thousands)

Company considers the licensing of the franchising right to be a single performance obligation, no allocation of the transaction price is required.

The Company recognizes the primary components of the transaction price, which is based upon a standalone selling price, as follows:

Franchise fees and other up-front system access fees are recognized as revenue ratably on a straight-line basis over the term of the franchise agreement commencing with store opening date. As these fees are typically received in cash at or near the beginning of the franchise term, the cash received is initially recorded as a contract liability until recognized as revenue over time.

The Company is entitled to monthly royalties and marketing fund fees based on a percentage of the franchisee's gross sales as defined in the franchise agreement. Royalty and marketing fund revenue are recognized when the franchisee's reported sales occur. Other fees consist primarily of point of sale computer support and technology access fee charges to franchised stores which are earned upon completion of the service, which is typically monthly. Depending on timing within a fiscal period, the recognition of revenue results in accounts receivable on the consolidated balance sheets. Certain marketing fund fees are billed a month in advance of the service period, however, no revenue is recognized until the franchisee sales occur for the given period.

Contract liabilities result from franchise fees paid by franchisees. The Company classifies these liabilities within current portion of contract liabilities and contract liabilities, less current portion within our consolidated balance sheets based on the expected timing of revenue recognition associated with these liabilities.

Supplier Commissions

Supplier commissions are based on a percentage of orders placed for purchases with specific vendors by Batteries Plus operated and franchised stores. Supplier commissions earned by Ascent on purchases which were directly shipped to franchised stores are included in other operating income on the consolidated statements of net income. Supplier commissions earned by Ascent on purchases which were directly shipped to Batteries Plus operated stores are recorded as a reduction to costs of merchandise sold on the consolidated statements of net income.

Vendor Allowances

Vendor allowances are based on a percentage of orders placed for purchases with specific vendors by Ascent. Vendor allowances are recognized upon the vendor's shipment of the goods and are recorded as a reduction of cost of merchandise sold.

Shipping Costs

Revenue and costs of shipping are included, net of selling and delivery expenses in operating expenses and totaled approximately \$9,528 and \$7,767 for the years ended December 31, 2021 and 2020, respectively. The Company incurred higher shipping expenses in 2021 as a result of increased sales and supply chain disruptions.

Advertising

The Company expenses the costs of advertising as incurred. Advertising expense for the years ended December 31, 2021 and 2020 was \$1,725 and \$2,801, respectively.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
(in thousands)

Concentration of Credit Risk

The Company maintains bank account balances which at times may exceed federally insured limits. The Company has not experienced any losses with these accounts. Management believes the Company is not exposed to any significant credit risk on cash.

Income Taxes

No provision for federal income taxes is recorded in the consolidated financial statements since the Company is treated as a disregarded entity for federal income tax purposes. Accordingly, the Company's taxable income is reported on the income tax return of Holdings and the two companies are not subject to a tax sharing agreement. In addition, the Company is subject to various income taxes and surcharges in states with franchised stores, and in China and Hong Kong with respect to its wholly owned subsidiaries, whose tax expense and attributes are not material.

As required by the uncertain tax position guidance, Holdings recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the consolidated financial statements is the largest benefit that a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. Holdings has applied the uncertain tax position guidance to all tax positions for which the statute of limitations remained open.

Holdings' federal income tax returns are subject to examination generally for three years after they are filed and its state income tax returns generally for four years after they are filed. During 2019, Holdings received notification from the Internal Revenue Service that it was initiating a review of the Company's 2017 tax return. This review began in February 2020 and was concluded in 2021 with no changes. Upon completion of the 2017 review, the Internal Revenue Service notified the Company that it was initiating a review of the Company's 2018 tax return. This review began in December 2021 and the Company anticipates that this review will be concluded in 2022.

Holdings had no interest and penalties related to income taxes for the years ended December 31, 2021 and 2020. It is the Company's accounting policy that penalties and interest, if and when assessed by income taxing authorities, are included in operating expenses.

Distributions to Member

Distributions are made in amounts as determined by the Company's management, which are generally used for Holdings' debt-service payments, income taxes and Holdings' administrative expenses.

Presentation of Sales Taxes

Batteries Plus and Ascent collect sales tax from certain customers and remits the entire amount to the appropriate governmental entities. Batteries Plus and Ascent's accounting policy is to exclude the tax collected and remitted from merchandise sales and cost of merchandise sold.

Stock-Based Compensation Plan

Batteries Plus recognizes stock-based compensation cost using fair value provisions prescribed on a straight-line basis over the vesting period for stock options issued. This expense is allocated from options granted by BPB.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
(in thousands)

Fair Value Measurement of Financial Instruments

Based on the Company estimates, the carrying amounts of cash, receivables, prepaid expenses, due to or from national marketing fund, accounts payable, accrued expenses, current portion of capital lease obligation, current portion of contract liability, and due to franchisees, because of their short-term nature, approximated fair value as of December 31, 2021 and 2020.

Future Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the consolidated balance sheets for leases with terms exceeding 12 months. The standard defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use (ROU) asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the ROU asset. ASU No. 2016-02 was effective for annual or interim reporting periods beginning after December 15, 2018, for public business entities and was originally effective after December 15, 2019, for other entities. In June 2020, the FASB deferred the effective date by one year. The ASU is effective for annual reporting periods beginning after December 15, 2021. Early adoption is permitted. The Company is currently evaluating the impact on the results of operations, financial condition, and cash flow, and has not determined the impact on its consolidated financial statements at this time.

During June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses* (as amended by ASU 2018-19, 2019-10 and 2019-11), which introduces new guidance for the accounting for credit losses on financial instruments and provides for a simplified-accounting model for purchased financial assets with credit deterioration since their origination. The standard is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted for annual periods beginning after December 15, 2018, including interim periods within those fiscal years. The new standard must generally be adopted using a modified retrospective transition method, through a cumulative-effect adjustment to retained earnings as of the beginning of the first effective reporting period. The Company is currently in the process of evaluating the impact of this new pronouncement on its consolidated financial position and results of operations and its adoption timing.

In December 2019, FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes* (ASU 2019-12), as part of its simplification initiative. ASU 2019-12 removes certain exceptions from Accounting Standards Codification (ASC) 740, *Income Taxes ASC 740*, including (i) the exception to the incremental approach for intra period tax allocation when there is a loss from continuing operations and income or a gain from other items such as discontinued operations or other comprehensive income; (ii) the exception to accounting for outside basis differences of equity method investments and foreign subsidiaries; and (iii) the exception to limit tax benefit recognized in interim period in cases when the year-to-date losses exceeds anticipated losses. ASU 2019-12 also simplifies U.S. GAAP in several other areas of ASC 740 such as: (i) franchise taxes and other taxes partially based on income; (ii) step-up in tax basis goodwill considered part of a business combination in which the book goodwill was originally recognized or should be considered a separate transaction; (iii) separate financial statements of entities not subject to tax; and (iv) interim recognition of enactment of tax laws or rate changes. ASU 2019-12 is effective for the Company for fiscal years beginning after December 15, 2022. The Company is currently evaluating the impact that the adoption of ASU 2019-12 would have on its consolidated financial statements.

Reference Rate Reform: In March 2020, the FASB issued Accounting Standards Update No. 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides optional expedients and exceptions for applying GAAP to contracts, hedging

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
(in thousands)

relationships and other transactions affected by the discontinuation of the London Interbank Offered Rate (LIBOR) or by another reference rate expected to be discontinued because of reference rate reform. The guidance was effective beginning March 12, 2020 and can be applied prospectively through December 31, 2022. In January 2021, the FASB issued Accounting Standards Update 2021-01, Reference Rate Reform (Topic 848): Scope, which clarified the scope and application of the original guidance. We plan to adopt the accounting standards when LIBOR is discontinued. We are currently evaluating the potential impact of adopting this guidance, but do not expect it to have a material impact on the consolidated financial statements.

Revenue Contracts Acquired in Business Combinations: In October 2021, the FASB issued ASU 2021-08, Accounting for Contract Assets and Contract Liabilities From Contracts With Customers, which amended the guidance in ASC 805 to require that the acquirer recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with ASC 606. The amendment is effective for financial statements for interim and annual periods beginning after December 15, 2022. The adoption of this standard is not expected to have a material impact on the consolidated financial statements.

Subsequent Events

The Company has evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through **February 28, 2022**, the date on which the consolidated financial statements were available to be issued. The Company is not aware of any material subsequent events which would require recognition or disclosure in the consolidated financial statements.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
(in thousands)

NOTE C - OTHER INTANGIBLE ASSETS, NET

The carrying amount and accumulated amortization of other intangible assets consists of the following as of December 31:

	Weighted Average Useful Lives Remaining	2021	2020
Contract rights	14.5	\$ 123,848	\$ 123,848
Trade names	Indefinite	103,875	103,875
Customer relationships	13.5	100,773	100,903
Contractual relationships	11.5 years	58,200	58,200
Proprietary software	-	663	663
		<hr/>	<hr/>
Gross carrying amount		387,359	387,489
Accumulated amortization			
Contract rights		(33,972)	(27,780)
Customer relationships		(29,098)	(23,841)
Contractual relationships		(18,782)	(15,358)
Proprietary software		(663)	(663)
		<hr/>	<hr/>
Total accumulated amortization		(82,515)	(67,642)
Accumulated impairment			
Trade names		(49,712)	(49,712)
		<hr/>	<hr/>
		<u>\$ 255,132</u>	<u>\$ 270,135</u>

Trade name has an indefinite useful life and therefore is not amortized. Intangible assets with definite lives are amortized using the straight-line method over the lesser of the asset's life or estimated remaining useful life. The estimated useful lives by major classification are as follows:

	Years
Contract rights	20
Customer relationships	19
Contractual relationships	17
Proprietary software	3-4

Scheduled amortization expense for intangible assets for the years ended December 31 are as follows:

2022	\$ 14,927
2023	14,927
2024	14,927
2025	14,927
2026	14,927
Thereafter	126,334
	<hr/>
	<u>\$ 200,969</u>

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
(in thousands)

NOTE D - NATIONAL MARKETING FUND AND DIGITAL MARKETING PROGRAM

In 2021 and 2020, National Marketing Fund and Digital Marketing Program contributions from franchisees and the related expenditures were reported on a gross basis in the consolidated statements of net income, in accordance with ASC 606.

Batteries Plus oversees and administers the National Marketing Fund (the Fund) which serves as a marketing association for all Batteries Plus stores. The Fund develops, initiates and executes marketing programs including, but not limited to, the development of traditional marketing tools for the mutual benefit of its contributors. The Fund is not a separate legal entity and is included in the Company's consolidated balance sheets. The Fund is managed by Batteries Plus.

Contributions to the Fund are generally based upon 1% of adjusted gross sales of each Batteries Plus operated and franchised stores. A summary of the contributions to the Fund, which are restricted for marketing, and the expenditures from the Fund is as follows for years ended December 31:

	2021	2020
Balance of NMF fund asset, beginning of year	\$ 2,358	\$ 527
Contributions received	(5,099)	(5,124)
Marketing expenditures	4,524	6,955
Balance of NMF fund asset, end of year	\$ 1,783	\$ 2,358

Contributions to the Fund are recorded as other operating income of Batteries Plus and marketing expenditures of the Fund are recorded as an operating expense of Batteries Plus.

Batteries Plus also oversees and administers the Digital Marketing Program (the Program) which serves as a marketing coop for all Batteries Plus stores. The Program develops, initiates and executes digital marketing programs including, but not limited to, the development of electronic, or internet-based marketing activities for the mutual benefit of its contributors. The Program is not a separate legal entity and is included in the Company's consolidated balance sheets. The Program is managed by Batteries Plus.

Contributions to the Program are generally based upon the greater of 2.5% of store net revenues, which is subject to a minimum and a maximum contribution. A summary of the contributions to the program, which are restricted for digital marketing activities, and the expenditures from the Program is as follows for years ended December 31:

	2021	2020
Balance of Program liability, beginning of year	\$ (310)	\$ (503)
Billed in advance adjustment	30	(60)
Contributions received	(11,331)	(11,579)
Marketing expenditures	10,959	11,832
Balance of Program liability, end of year	\$ (652)	\$ (310)

Contributions to the Program are recorded as other operating income of Batteries Plus and expenditures of the Program are recorded as an operating expense of Batteries Plus.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
(in thousands)

NOTE E - ACCOUNTS RECEIVABLE

Accounts receivable consist of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Trade receivables	\$ 19,006	\$ 20,239
Franchise royalty and marketing fees	2,896	2,849
Vendor allowances	2,560	1,976
Credit card	<u>477</u>	<u>387</u>
	24,939	25,451
Less allowance for doubtful accounts	<u>(284)</u>	<u>(262)</u>
	<u><u>\$ 24,655</u></u>	<u><u>\$ 25,189</u></u>

Trade receivables consist primarily of amounts due from franchised stores for merchandise purchased from Ascent and from commercial customers of Batteries Plus operated stores.

NOTE F - MERCHANDISE INVENTORIES

Merchandise inventories are comprised of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Merchandise inventories	\$ 68,055	\$ 44,968
Less reserve for inventory obsolescence	<u>(2,577)</u>	<u>(2,345)</u>
	<u><u>\$ 65,478</u></u>	<u><u>\$ 42,623</u></u>

NOTE G - CAPITAL LEASE

During 2018, the Company entered into a lease agreement for software and equipment that met the criteria to be classified as a capital lease. The cost of the software and equipment under the capital lease is included in the consolidated balance sheets as lease equipment at \$786 and \$768 as of December 31, 2021 and December 2020. The lease of software and equipment is being amortized over a seven-year estimated lease term. Accumulated depreciation of equipment was \$338 and \$247 at December 31, 2021 and 2020, respectively. The capitalized lease obligations reflect the present value of future lease payments under the current lease agreement and is recorded as capital lease obligation in the accompanying consolidated balance sheets.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
(in thousands)

Following is a schedule of future minimum lease payments under the capital lease, together with the present value of the net minimum lease payments as of December 31, 2021.

<u>Years Ending December 31,</u>		
2022	\$	408
2023		136
2024		48
		<hr/>
Total minimum lease payments	\$	592
Less		
Imputed interest		154
Executory costs		144
		<hr/>
Present value of future minimum lease payments	\$	<u>294</u>

NOTE H - OPERATING LEASES

Batteries Plus leases all corporate stores, warehouse space and the administrative office facility under non-cancellable operating leases expiring at various dates through 2040. Batteries Plus is generally required to pay real estate taxes and other costs for the leased facilities. Ascent leases a warehouse facility under a non-cancellable operating lease that expires in May 2024. Related to the Ascent warehouse facility, Batteries Plus and Ascent lease certain equipment under non-cancellable leases. The Company recognizes lease expense on a straight-line basis over the lease term. However, a number of these lease agreements have escalation or rent holiday clauses. As a result, the Company has recorded an accrued rent liability as of December 31, 2021 and 2020, of \$1,117 and \$881, respectively, within other accrued expenses, to recognize the accumulated difference between the lease payments and the lease expense.

Total rent expense, which is recorded within occupancy on the consolidated statements of net income, for the years ended December 31, 2021 and 2020 was approximately \$6,229 and \$6,358, respectively.

Future minimum lease payments under operating leases that have remaining non-cancelable terms in excess of one year subsequent to December 31, 2021, are as follows:

<u>Years Ending December 31,</u>		
2022	\$	6,853
2023		6,601
2024		5,803
2025		5,403
2026		5,147
Thereafter		<hr/> 32,217
	\$	<u>62,024</u>

Due to the adverse impacts of COVID-19 during 2020, the Company negotiated rent deferral and payback periods with a number of store landlords. The rent deferral generally included the months of April and May 2020. Based on the guidance set forth in the FASB issued Staff Q&A - *Topic 842 and Topic 840: Accounting*

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
(in thousands)

for Lease Concessions Related to the Effects of the COVID-19 Pandemic the Company has accounted for these deferrals as if no changes to the lease contract were made and will not elect to apply the lease modification guidance under ASC 840. The Company had deferred rent of approximately \$92 and \$347 at December 31, 2021 and 2020, respectively, which was recorded within accrued expenses and other current liabilities and will be paid in accordance with the concession arrangements.

Contract Termination

There were no stores terminated during 2021 that required a discount contract termination liability to be recorded. During 2020, the Company terminated 11 store locations. As a result, the Company's contract termination liability is \$712 and \$1,256 as of December 31, 2021 and December 31, 2020, respectively. There is \$130 and \$532 of current portion of contract termination costs held in other accrued expenses as of December 31, 2021 and December 31, 2020, respectively.

NOTE I - COMMITMENTS AND CONTINGENCIES

Self-Insurance

The Company is exposed to various risks of loss related to its employees' medical costs. The Company has "stop-loss" coverage for costs in excess of \$150 per individual per policy period. A liability of approximately \$410 and \$719 for claims incurred but not yet paid at December 31, 2021 and 2020, respectively, has been recorded within accrued expenses within the accompanying consolidated balance sheets. Management believes this liability is sufficient to cover estimated claims including claims incurred but not yet reported.

Guarantees

The Company guarantees a loan agreement on behalf of Holdings. The loan agreement, for which Holdings is primarily liable, expires in June 2023. The loan agreement is collateralized by substantially all assets of the Company. Holdings' liability for the unpaid loan balances was \$209,791 at December 31, 2021, and incurred interest costs of \$16,746. The maximum amount of future debt service payments that could be required to be paid under the guarantee is \$242,291 plus interest, which represents the \$209,791 remaining balance on the term loan and \$32,500 maximum revolving loan commitment. Holdings received an additional \$7,500 term loan during 2021. Holdings borrows amounts on the revolving loan, commitment to fund the Company's cash flow needs, if any, during the year. During 2021 and 2020, the Company received \$165,300 and \$39,090, respectively, from Holdings under this commitment, respectively, of which \$159,050 and \$39,090 was repaid through distributions to Holdings during the years 2021 and 2020, respectively. In accordance with accounting principles generally accepted in the United States of America, no amount has been accrued in the accompanying consolidated financial statements for the guarantees. The Company holds no collateral in respect of the guarantees of their parent company.

Litigation

From time to time, the Company is involved in various claims and lawsuits, both for and against the Company, arising in the normal course of business. When the claims are probable, reserves are established based on estimates from available information. There is inherent uncertainty as to the eventual resolution of unsettled claims. Management believes that any financial responsibility that may be incurred in settlement of such claims and lawsuits beyond amounts not previously provided for would not have a material effect on the Company's consolidated financial condition, results of operations or cash flows.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
(in thousands)

Warranty

Management's estimate of the accrual for product warranty claims is based upon a review of the Company's vendors, the purchases made from these vendors and their warranty terms. Management reviews the annual purchases made from these vendors and their related warranty terms as well as their levels of expected returned merchandise to determine the Company's exposure regarding potential warranty liability for each vendor's product. The accrual is recorded to match management's expected warranty exposure. Warranty expense for the years ended December 31, 2021 and 2020 was approximately \$3,100 and \$2,816, respectively. Warranty claims for the years ended December 31, 2021 and 2020 were approximately \$2,927 and \$2,750, respectively.

Regulatory Matters

The Company, as a result of the nature of its business, must comply with various federal and state regulations related to environmental and safety matters for the proper handling, recycling and disposal of batteries and light bulbs. Additionally, the Company must comply with various state and federal regulations related to consumer protection laws related to privacy and data protection. Management believes they are in compliance, in all material respects, with such regulations as of December 31, 2021 and 2020.

NOTE J - PROFIT-SHARING PLAN

Batteries Plus has a qualified 401(k) contributory profit-sharing plan covering all eligible employees. Batteries Plus' contribution to the Plan is a discretionary amount determined each year by Batteries Plus. Batteries Plus' contributions for the years ended December 31, 2021 and 2020 were approximately \$1,250 and \$1,041, respectively.

NOTE K - BRAND LICENSING AGREEMENTS

Batteries Plus has entered into strategic brand partnership licensing agreements with various branding companies. As part of these agreements, Batteries Plus has the rights to market branded products across multiple product categories in the United States, its territories and Canada through its corporate stores and franchises and over a captive web domain. Batteries Plus may be subject to purchase commitments and minimum and or maximum annual license fees or royalties based on a percentage of purchases of branded products. The minimum or maximum license fee or royalty can be reduced, in some cases, based on meeting certain performance conditions. During both 2021 and 2020, there was one licensing agreement that the Company did not meet the minimum purchase agreement and was required to pay approximately \$458 and \$431 for the years ended December 31, 2021 and 2020, respectively, as part of fulfilling its licensing agreement. The agreements have differing maturity dates, with extensions through 2033.

Total licensing expense, which is recorded within cost of merchandise sold on the consolidated statements of net income, for the years ended December 31, 2021 and 2020 was approximately \$1,642 and \$2,023, respectively.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
(in thousands)

As of December 31, 2021, minimum future purchase commitments under these agreements are as follows:

2022	\$	11,387
2023		11,842
2024		12,316
2025		12,809
2026		13,321
Thereafter		13,854

As of December 31, 2021, the approximate license or royalty fees under these agreements may be as follows:

	<u>Minimum</u>	<u>Maximum</u>
2022	\$ 1,900	\$ 3,300
2023	1,900	3,300
2024	1,900	3,300
2025	1,900	3,300
2026	1,900	3,300
Thereafter	1,900	3,300

NOTE L - STORE ACQUISITIONS

During 2021, Batteries Plus acquired the operating assets of 24 franchised stores and two warehouses. Batteries Plus now operates these locations as Batteries Plus operated stores. The allocation of the \$11,943 purchase price was based on the fair value of the assets acquired and liabilities assumed, which is summarized as follows: \$2,530 to inventory, \$462 to property and equipment, \$75 to other assets, \$9,239 to goodwill, and \$(363) to current liabilities. Of this purchase price, \$10,207 was cash and \$1,736 was a notes payable due by June 30, 2022.

During 2020, Batteries Plus acquired the operating assets of 21 franchised stores and one warehouse. Batteries Plus now operates these locations as Batteries Plus operated stores. The allocation of the \$10,502 purchase price was based on the fair value of the assets acquired and liabilities assumed, which is summarized as follows: \$1,682 to inventory, \$715 to property and equipment, \$57 to other assets, \$8,355 to goodwill, and \$(307) to current liabilities. Of this purchase price, \$4,758 was cash and \$5,744 was a notes payable due by June 30, 2021. This balance has been paid in full as of December 31, 2021.

Operating results of franchised stores acquired have been included in the accompanying consolidated financial statements from their respective acquisition dates forward.

NOTE M - SALE OF CORPORATE-OWNED STORES

During 2021, Batteries Plus sold the operating assets of four corporate-owned stores. Batteries Plus no longer operates these locations as Batteries Plus operated stores. The allocation of the \$600 selling price was based on the current book value of the assets and liabilities sold, which is summarized as follows: \$39 loss on sale, \$374 to inventory, \$165 to property and equipment, \$93 to other assets and \$7 to other liabilities. Of this purchase price, \$474 was cash and \$126 remained as a note receivable due by December 31, 2022.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
(in thousands)

NOTE N - STOCK OPTION PLAN

BPB has adopted a stock-based compensation plan for employees. BPB reserves shares of common stock to provide for the exercise of stock options and the issuance of common stock under certain incentive compensation awards. BPB recognizes compensation cost on a straight-line basis over the vesting period for the stock compensation awards issued. BPB allocates compensation expense to the Company to the extent company employees are receiving the awards.

BPB formed the 2016 Equity Incentive Plan (2016 Plan) to provide certain management and key employees with incentive-based awards. The 2016 Plan provides options which are dependent on certain service and performance-based conditions, as follows:

Performance-Based Options - If the eligible employee remains continuously employed by Batteries Plus throughout the defined service period, a performance-based target of a pre-determined amount of value is achieved, and an event occurs that includes a distribution of cash to the majority shareholder at a pre-determined amount, then the options will vest and become exercisable with respect to 20% per year of the total number of performance target options held by the eligible employee over a five-year period.

Service-Based Options - If the eligible employee remains continuously employed by Batteries Plus over their defined service period, then this option will vest annually with respect to 20% of the service-based options held by the employee.

The fair value of each stock option grant was determined using the Black-Scholes options-pricing model in the year of the grant. As of December 31, 2021 and 2020, total unrecognized compensation cost related to non-vested service options granted under the 2016 Plan was \$63 and \$273, respectively, which are expected to be recognized over a weighted-average period of approximately 60 months.

As of December 31, 2021 and 2020, under the 2016 Plan, a total of approximately 101,643 performance-based options were outstanding for both years, which vest upon an achievement of a realization value. As this value has not been achieved, it is therefore not probable as of December 31, 2021 and no expense has been recognized for those awards.

Total stock-based compensation expense included in the Company's consolidated statements of net income was \$224 and \$289 for the years ended December 31, 2021 and 2020, respectively.

The following table summarizes the option activity during 2021 and 2020, and the call option value and exercise price for service and performance options at December 31, 2021 and 2020.

	Service Options	Weighted-Option Fair Value	Performance Options	Weighted-Option Fair Value	Total Options	Exercise Price
Balance at December 31, 2019	150,577	\$ 10.44	103,493	\$ 0.01	254,070	\$ 123.32
Granted	28,350		8,650		37,000	
Exercised	-		-		-	
Forfeited	(6,750)		(9,500)		(16,250)	
Balance at December 31, 2020	172,177	\$ 8.58	102,643	\$ 1.67	274,820	\$ 113.85
Granted	22,000		-		22,000	
Exercised	(400)		-		(400)	
Forfeited	(2,400)		(1,000)		(3,400)	
Balance at December 31, 2021	<u>191,377</u>	\$ 7.72	<u>101,643</u>	\$ 0.83	<u>293,020</u>	\$ 115.02



Consolidated Financial Statements and Report of Independent Certified Public Accountants

Batteries Plus, LLC and Subsidiaries

December 31, 2020 and 2019

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors and Shareholders
Batteries Plus, LLC

We have audited the accompanying consolidated financial statements of Batteries Plus, LLC (a Wisconsin Limited Liability Corporation) and subsidiaries, which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the related consolidated statements of net income (loss), comprehensive income (loss), member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Batteries Plus, LLC and subsidiaries as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Milwaukee, Wisconsin
February 26, 2021

Batteries Plus, LLC and Subsidiaries

CONSOLIDATED BALANCE SHEETS

**December 31,
(In thousands)**

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash	\$ 8,325	\$ 4,585
Accounts receivable, net	25,189	22,905
Merchandise inventories, net	42,623	43,671
Prepaid expenses	3,023	3,235
Due from national marketing fund	<u>2,358</u>	<u>527</u>
Total current assets	81,518	74,923
PROPERTY AND EQUIPMENT		
Furniture, fixtures and equipment	9,793	9,281
Vehicles	1,665	1,408
Leasehold improvements	3,214	3,307
Software	9,522	9,215
Capital lease	<u>768</u>	<u>768</u>
	24,962	23,979
Accumulated depreciation	(13,330)	(10,065)
Construction in process	<u>5,603</u>	<u>2,637</u>
Total property and equipment	17,235	16,551
OTHER ASSETS		
Goodwill, net	12,400	4,045
Other intangible assets, net	270,135	285,148
Notes receivable	<u>448</u>	<u>485</u>
Total other assets	<u>282,983</u>	<u>289,678</u>
Total assets	<u><u>\$ 381,736</u></u>	<u><u>\$ 381,152</u></u>
CURRENT LIABILITIES		
Accounts payable	\$ 27,355	\$ 30,972
Accrued salaries and benefits	6,178	3,126
Note payable - store repurchase	5,744	-
Accrued warranty	3,080	3,014
Other accrued expenses	5,899	3,570
Due to franchisees	506	363
Current portion of contract liability	1,313	860
Current portion of capital lease obligation	<u>171</u>	<u>161</u>
Total current liabilities	50,246	42,066
NON-CURRENT LIABILITIES		
Capital lease obligation, less current portion	244	415
Contract termination	724	512
Contract liability, less current portion	5,743	6,939
Other non-current liability	<u>861</u>	<u>-</u>
Total non-current liabilities	7,572	7,866
MEMBER'S EQUITY	<u>323,918</u>	<u>331,220</u>
Total liabilities and member's equity	<u><u>\$ 381,736</u></u>	<u><u>\$ 381,152</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

Batteries Plus, LLC and Subsidiaries

CONSOLIDATED STATEMENTS OF NET INCOME (LOSS)

Years ended December 31,
(In thousands)

	<u>2020</u>	<u>2019</u>
Merchandise sales	\$ 234,148	\$ 226,441
Cost of merchandise sold	<u>156,206</u>	<u>152,104</u>
Gross profit	77,942	74,337
Other operating income		
Franchise fees	713	521
Royalty fees	22,804	22,604
Supplier commissions	7,210	7,236
Marketing fund	16,762	17,858
Other fees	<u>6,045</u>	<u>6,515</u>
	53,534	54,734
Operating expenses		
Selling and delivery	10,604	9,717
Occupancy	8,676	7,944
General and administrative	61,365	57,355
Advertising	2,801	3,509
Marketing fund	16,752	17,858
Depreciation	3,512	3,409
Amortization	15,013	15,084
Non-cash impairment of goodwill and other intangible assets	<u>-</u>	<u>27,048</u>
	<u>118,723</u>	<u>141,924</u>
Operating income (loss)	12,753	(12,853)
Other expense		
Interest expense	(170)	(61)
Taxes	(9)	(17)
Interest income	<u>1</u>	<u>1</u>
Other expense, net	<u>(178)</u>	<u>(77)</u>
NET INCOME (LOSS)	<u>\$ 12,575</u>	<u>\$ (12,930)</u>

The accompanying notes are an integral part of these consolidated financial statements.

Batteries Plus, LLC and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

**Years ended December 31,
(In thousands)**

	<u>2020</u>	<u>2019</u>
Net income (loss)	\$ 12,575	\$ (12,930)
Other comprehensive income (loss)		
Foreign currency translation gain (loss)	<u>56</u>	<u>(9)</u>
Comprehensive income (loss)	<u>\$ 12,631</u>	<u>\$ (12,939)</u>

The accompanying notes are an integral part of these consolidated financial statements.

Batteries Plus, LLC and Subsidiaries

CONSOLIDATED STATEMENTS OF MEMBER'S EQUITY

**Years ended December 31,
(In thousands)**

	<u>2020</u>	<u>2019</u>
Total member's equity at beginning of year	\$ 331,220	\$ 382,554
Net income (loss)	12,575	(12,930)
Stock-based compensation	289	314
Cumulative effect of change in accounting principal	-	(2,435)
Distributions to member	(20,222)	(36,524)
Capital contribution from parent	-	250
Foreign currency translation gain (loss)	<u>56</u>	<u>(9)</u>
Total member's equity at end of year	<u>\$ 323,918</u>	<u>\$ 331,220</u>

The accompanying notes are an integral part of these consolidated financial statements.

Batteries Plus, LLC and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31,
(In thousands)

	2020	2019
Cash flows from operating activities		
Net income (loss)	\$ 12,575	\$ (12,930)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Provision for doubtful accounts	13	26
Stock-based compensation expense	289	314
Inventory subsidy to franchisees	676	-
Depreciation	3,512	3,409
Amortization	15,013	15,084
Impairment of goodwill and other intangible assets	-	27,048
Loss on sale of property and equipment	890	378
Bargain purchase gain	-	(6)
Provision for inventory obsolescence reserve	629	221
Changes in operating assets and liabilities:		
Accounts receivable	(2,297)	3,716
Merchandise inventories	1,425	10,918
Prepaid expenses	269	(389)
Due national marketing fund	(1,831)	(141)
Accounts payable	(3,531)	(6,836)
Accrued salaries and benefits	3,052	1,295
Accrued warranty	66	145
Other accrued expenses	2,959	(1,107)
Due to franchisees	143	(2,089)
Deferred revenue	(743)	(953)
Contract termination	212	512
Net cash provided by operating activities	33,321	38,615
Cash flows from investing activities		
Purchase of property and equipment	(1,250)	(2,182)
Development of internal-use software	(3,274)	(2,033)
Payments received on notes receivable	37	36
Corporate-owned store acquisitions	(4,758)	(1,571)
Proceeds from sales of property and equipment	47	50
Net cash used in investing activities	(9,198)	(5,700)
Cash flows from financing activities		
Principal payments on capital lease	(161)	(152)
Cash distributions to member	(20,222)	(36,524)
Capital contribution from parent	-	250
Net cash used in financing activities	(20,383)	(36,426)
NET INCREASE (DECREASE) IN CASH	3,740	(3,511)
Cash at beginning of period	4,585	8,096
Cash at end of period	\$ 8,325	\$ 4,585
Non-cash investing and financing activities		
Purchases of property and equipment in accounts payable	\$ 352	\$ 514
Note in exchange for store acquisition	\$ 5,744	\$ -

The accompanying notes are an integral part of these consolidated financial statements.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020 and 2019
(in thousands)

NOTE A - NATURE OF BUSINESS

Basis of Presentation

The accompanying consolidated financial statements include the accounts of Batteries Plus, LLC and its wholly owned subsidiaries Ascent Battery Supply, LLC (Ascent) and Batteries Plus Hong Kong Limited (Hong Kong) and Hong Kong's wholly owned subsidiary Batteries Plus Shenzhen Co. (Shenzhen), hereinafter collectively referred to as the Company. All material intercompany transactions and balances have been eliminated in consolidation. The Company is wholly owned by its parent Square Brands International LLC, which in turn is a wholly owned subsidiary of Batteries Plus Holding Corporation (Holdings). Holdings is a wholly owned subsidiary of BPB Buyer Corp (Buyer), which in turn is a wholly owned subsidiary of BPB Holding Corp. (BPB).

Batteries Plus and Ascent are organized as limited liability companies. Hong Kong and Shenzhen are foreign entities incorporated under the laws of their respective country.

Nature of Business

Batteries Plus operates and franchises a national chain of stores, doing business as Batteries Plus Bulbs, in the United States of America and Puerto Rico whose operations are in the commercial and retail distribution of batteries, light bulbs and related products, and device repair and service. The following is the store count activity as of December 31, 2020 and 2019:

	Franchise	CPS	Total Stores
January 1, 2019	662	78	740
Openings	14	4	18
Closings	(26)	(4)	(30)
CPS Buyback	(7)	7	0
December 31, 2019	643	85	728
Openings	5	-	5
Closings	(22)	(11)	(33)
CPS Buyback	(21)	21	0
December 31, 2020	605	95	700

Batteries Plus provides franchisees with a system of business training, site location, marketing, advertising programs and management support designed to assist the franchisee in opening and operating a Batteries Plus Bulbs store.

Ascent operates a supply chain which purchases, warehouses and distributes inventory for the Batteries Plus owned and franchised stores.

Hong Kong and Shenzhen are utilized by Ascent and Batteries Plus to source inventory.

NOTE B - IMPAIRMENT

The Company evaluates goodwill on an annual basis or more frequently if management believes indicators of impairment exist. Such indicators could include, but are not limited to (1) a significant adverse change in legal factors or in business climate, (2) unanticipated competition, or (3) an adverse action or assessment by a regulator. Management conducts a quantitative goodwill impairment test. The impairment test involves comparing the fair value of the applicable reporting unit with its carrying value. The Company estimates the

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fair values of its reporting units using a combination of the income or discounted cash flows approach and the market approach which utilizes comparable companies' data. If the carrying amount of a reporting unit exceeds the reporting unit's fair value, an impairment loss is recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. In 2020, there was no goodwill impairment in any of the Company's reporting units. In 2019, the operating profits and cash flows for the Corporate Store, Franchise and Ascent reporting units were lower than the Company's financial forecasts. As a result, the earnings forecast for the next five years was revised. The Company's evaluation of goodwill, which was completed during 2019, resulted in a \$16,600 impairment loss in all of the Company's reporting units during the year ended December 31, 2019.

	Corporate Store	Franchise	Ascent	Total
Balances as of January 1, 2019				
Goodwill	\$ 14,359	\$ 24,774	\$ 13,928	\$ 53,061
Accumulated impairment losses	(10,828)	(22,655)	-	(33,483)
Goodwill acquired during the year	1,067	-	-	1,067
Impairment losses during the year	(4,598)	(2,119)	(9,883)	(16,600)
Balances as of December 31, 2019				
Goodwill	15,426	24,774	13,928	54,128
Accumulated impairment losses	(15,426)	(24,774)	(9,883)	(50,083)
Balances as of December 31, 2019	-	-	4,045	4,045
Balances as of January 1, 2020				
Goodwill	15,426	24,774	13,928	54,128
Accumulated impairment losses	(15,426)	(24,774)	(9,883)	(50,083)
Goodwill acquired during the year	8,355	-	-	8,355
Impairment losses during the year	-	-	-	-
Balances as of December 31, 2020				
Goodwill	23,781	24,774	13,928	62,483
Accumulated impairment losses	(15,426)	(24,774)	(9,883)	(50,083)
Balances as of December 31, 2020	\$ 8,355	\$ -	\$ 4,045	\$ 12,400

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The Company evaluates the recoverability of identifiable intangible assets and property and equipment whenever events or changes in circumstances indicate that an intangible asset's carrying amount may not be recoverable. Such circumstances could include, but are not limited to (1) a significant decrease in the market value of an asset, (2) a significant adverse change in the extent or manner in which an asset is used, (3) an accumulation of costs significantly in excess of the amount originally expected for the acquisition of an asset, or (4) when long-lived assets are possibly impaired. The Company measures the carrying amount of the asset against the estimated undiscounted future cash flows associated with it. Should the sum of the expected future net cash flows be less than the carrying value of the asset being evaluated, an impairment loss would be recognized. The impairment loss would be calculated as the amount by which the carrying value of the asset exceeds its fair value. The estimate of fair value is based on various valuation techniques, including the discounted value of estimated future cash flows. The evaluation of asset impairment requires the Company to make assumptions about future cash flows over the life of the asset being evaluated. These assumptions require significant judgment and actual results may differ from assumed and estimated amounts. In 2020, the assessment did not identify any impairment in intangible assets or property and equipment. In 2019, the operating profits and cash flows for the Corporate Store, Franchise and Ascent reporting units were lower than the Company's financial forecasts. As such, the earnings forecast for the next five years was revised. These facts resulted in a triggering event to assess goodwill for impairment, and thus property and equipment and intangible assets as well. The assessment did not identify any impairment of the definite lived intangibles or the property and equipment. The assessment did identify an impairment loss of \$10,448 related to the trade names, for the year ended December 31, 2019. The table below depicts the beginning and ending balance of intangible assets by reporting unit including the impact of the impairment.

	<u>Corporate Store</u>	<u>Franchise</u>	<u>Ascent</u>	<u>Total</u>
Balances as of January 1, 2019				
Intangibles	\$ 27,563	\$ 187,309	\$ 135,072	\$ 349,944
Accumulated impairment losses	(3,245)	(36,019)	-	(39,264)
Amortization charge for the year	(151)	(6,339)	(8,594)	(15,084)
Impairment losses during the year	<u>(2,805)</u>	<u>(7,643)</u>	<u>-</u>	<u>(10,448)</u>
Balances as of December 31, 2019	<u>21,362</u>	<u>137,308</u>	<u>126,478</u>	<u>285,148</u>
Balances as of January 1, 2020				
Intangibles	27,412	180,970	126,478	334,860
Accumulated impairment losses	(6,050)	(43,662)	-	(49,712)
Amortization charge for the year	(161)	(6,258)	(8,594)	(15,013)
Impairment losses during the year	-	-	-	-

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	Corporate Store	Franchise	Ascent	Total
Balances as of December 31, 2020				
Intangibles	\$ 27,251	\$ 174,712	\$ 117,884	\$ 319,847
Accumulated impairment losses	(6,050)	(43,662)	-	(49,712)
Balances as of December 31, 2020	\$ 21,201	\$ 131,050	\$ 117,884	\$ 270,135

NOTE C - SUMMARY OF ACCOUNTING POLICIES

Use of Estimates

Management uses estimates and assumptions in preparing the consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

Cash

The Company considers all petty cash and checking accounts to be cash.

Accounts Receivable

Accounts receivable are stated at the amount the Company expects to collect from outstanding balances. The Company extends unsecured trade credit to its customers in the ordinary course of business, but mitigates the associated credit risk by performing credit checks, establishing credit limits and actively pursuing past due accounts. Trade credit is generally extended on a short-term basis. Thus, trade accounts receivable do not bear interest or finance charge. The Company provides for probable uncollectible amounts through a charge to earnings and a credit to valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after the Company has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Merchandise Inventories

Inventories, which primarily consist of merchandise held for resale, are stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out (Ascent) or average cost (Batteries Plus operated stores) method.

Notes Receivable

Notes receivable are stated at the amount the Company expects to collect from outstanding balances. Interest income on notes receivable is recognized using the effective interest method. Based on the Company's assessment of the credit history with franchises having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

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Property and Equipment

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Estimated useful lives range from 3 to 10 years for furniture, fixtures and equipment, 5 years for vehicles, 5 to 10 years for leasehold improvements and 3 to 7 years for software.

Internal-Use Software

Costs related to internal-use software are expensed as incurred until the preliminary project stage is completed and the application development stage is reached. During the application development stage, costs of certain development activities are capitalized. Such costs can include external direct costs, direct payroll and payroll-related costs, and interest costs. Internal-use software is carried at cost and amortized straight-line over seven years beginning when the asset is placed in service.

Capital expenditures for internal-use software totaled \$3,274 and \$2,033 for the years ended December 31, 2020 and 2019, respectively

Retail Management System (RMS)

In 2017, the Company began a project to update its retail management system. During 2020, the Company suspended the project and settled a dispute with a software vendor resulting in the Company receiving \$1.5 million. As a result of this settlement, the Company reduced the amount held in Construction in process by \$1.5 million and recorded a charge of \$0.2 million to Ascent for items that held no future benefit.

At December 31, 2020, there is approximately \$1.0 million remaining in Construction in process related to this project that the Company determined has future value.

As of December 31, 2019, the Company had placed into service total costs of \$6,901. There were no capital expenditures for this project in 2020. Accumulated depreciation totaled \$2,588 and \$1,416 as of December 31, 2020 and 2019, respectively. The Company had billed franchisees for a share of the accumulated operating costs for this development. Fees collected by the Company are included in contract liability on the consolidated balance sheets and will be amortized monthly over a seven-year period, consistent with the estimated useful life of the asset.

Impairment of Long-Lived Assets

Long-lived assets, consisting primarily of property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable from future, undiscounted cash flows expected to be generated by the asset. If the asset is not fully recoverable, an impairment loss would be recognized for the difference between the carrying value of the asset and its estimated fair value based on discounted net future cash flows. There was an impairment assessment of property and equipment in 2020 and 2019, which resulted in no impairment to long-lived assets. See Note B.

Goodwill and Other Intangible Assets

Goodwill represents the excess of the purchase price over the fair value of assets acquired and liabilities assumed at the date of acquisition. Goodwill is not amortized, but is assessed for impairment at the reporting unit level annually on October 31, or when events or conditions indicate that the goodwill might be impaired. Other intangible assets consist of contractual relationship, proprietary software, customer relationships and trade name. Finite-lived intangible assets are amortized on a straight-line basis over their estimated useful lives. Indefinite-lived intangible assets are not amortized, but assessed for impairment at least annually or when events or conditions indicate they might be impaired.

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There was no impairment of goodwill and certain other intangible assets in 2020. However, there was an impairment of goodwill and certain other intangible assets during 2019. See further discussion at Note B.

Foreign Currency Translation

The Company's foreign subsidiaries use their respective local currency as their functional currency. Assets and liabilities of foreign subsidiaries are translated at period-end exchange rates and income and expenses have been translated using the average exchange rates for the period. The effects of translation adjustments are reported as a separate component of accumulated other comprehensive income or loss entitled foreign currency translation. Transaction gains and losses are recorded in earnings and were not significant for any periods presented.

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The FASB issued ASU No. 2016-08, *Revenue from Contracts with Customers: Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*, in March 2016, ASU 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing*, in April 2016, ASU 2016-11, *Revenue Recognition (Topic 605) and Derivatives and Hedging (Topic 815): Rescission of SEC Guidance Because of Accounting Standards Updates 2014-09 and 2014-16 Pursuant to Staff Announcements at the March 3, 2016 EITF Meeting*, in May 2016 and ASU 2016-12, *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients*, in May 2016. These new standards provide for a single, principles-based model for revenue recognition that replaces the existing revenue recognition guidance. Topic 606 also includes Subtopic 340-40, *Other Assets and Deferred Costs - Contracts with Customers*, which discussed the deferral of incremental costs of obtaining a contract with a customer. The new guidance permits the use of either a full retrospective or modified retrospective transition method and early adoption was permitted. The Company adopted this standard effective January 1, 2019, utilizing the modified retrospective transition method, applied to all open contracts. The Company's cumulative effect of adopting this new policy was to reverse recognition of \$2.4 million of franchise fee revenue on open contracts that exist from July 2016 and to defer that revenue over the remaining franchise term which averages 8.09 years. The new guidance did not impact the timing of revenue recognition for franchise royalty fees, merchandise sales, supplier commissions, and other fees. Although the timing of recognition of contributions from franchisees to the Company's system-wide marketing fund did not change, beginning in 2019, the Company began recording the contributions on a gross basis under marketing fund fees within the consolidated statements of net income (loss). Topic 606 also changed the timing in which the Company recognizes initial fees from franchisees for new store openings. Initial franchise fees are now recognized as the Company satisfies the performance obligation over the franchise term, which is generally 10 years. Refer to franchise fees footnote below for additional information.

The Company has made an accounting policy election to exclude from the measurement of the transaction price all taxes assessed by governmental authorities that are collected by the Company from its customers, including sales, value add, and other taxes.

The Company has applied the practical expedient and records as an expense the incremental costs of obtaining contracts with customers in the period of occurrence when the amortization period of the asset that the Company otherwise would have recognized is one year or less.

Economic factors, consumer confidence, and consumer income levels affect the nature, amount, timing, and uncertainty of revenue and cash flows.

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Merchandise Sales

Revenues are recognized for Batteries Plus operated stores as products are shipped to the customer. These sales are paid for at the time of sale in cash, credit card, or may be on account with the vast majority of customers having payment terms of 30 days. Revenues are recognized by Ascent as products are shipped to franchised stores. At shipment, on a common carrier, the franchise obtains control of the product. The majority of variable consideration in the Company's contracts include a form of rebates, discounts, and returns which are not constrained. However, within the context of the contract, these are not considered to be a material right as they are offered as a standard provision in the majority of contracts. Sales rebates and discounts are recorded at the time of sale. There is no provision for estimated returns as these are considered to be immaterial over the 30-day return period. The Company only offers an assurance type warranty on products sold, and there is not material service to the customer beyond fixing defects that existed at the time of sale. No warranties are sold separately and there are no extended warranties. The transaction price includes merchandise sales and is based upon a standalone selling price.

The Company records shipping revenue as an offset to shipping expense as a fulfillment activity as the shipping and handling activities are performed before the customer obtains control of the good.

Franchise, Royalty, Marketing Fund, and Other Fees

Batteries Plus enters into individual and multiple-unit franchise agreements. Individual franchise agreements grant the individual the right to open and operate a franchise store in the franchisee's individual territory. Multiple-unit franchise agreements grant the franchisee the right to establish and own a specified number of Batteries Plus stores within a defined geographic area pursuant to a development schedule. The fees for the individual franchise agreement and a portion of the fees for the multiple-unit franchise agreement are payable upon execution of the agreement and are nonrefundable. The remaining fees for multiple-unit franchise agreements are payable upon execution of the franchise agreement for each store developed pursuant to the multiple unit franchise agreement.

The franchise agreement between the Company as the franchisor and the franchisee as the customer requires the Company to perform various activities to support the brand that do not directly transfer goods and services to the franchisee, but instead represent a single performance obligation, which is the transfer of the franchise license. The intellectual property subject to the franchise license is symbolic intellectual property as it does not have significant standalone functionality. The nature of the Company's promise in granting the franchise license is to provide the franchisee with access to the brand's symbolic intellectual property over the term of the license. The services provided by the Company are highly interrelated with the franchise license and as such are considered to represent a single performance obligation. The transaction price in a standard franchise agreement primarily consists of (a) initial franchise/development fees; (b) continuing franchise fees (royalties and other fees); and (c) marketing fund fees. Since the Company considers the licensing of the franchising right to be a single performance obligation, no allocation of the transaction price is required.

The Company recognizes the primary components of the transaction price, which is based upon a standalone selling price, as follows:

Franchise fees and other up-front system access fees are recognized as revenue ratably on a straight-line basis over the term of the franchise agreement commencing with store opening date. As these fees are typically received in cash at or near the beginning of the franchise term, the cash received is initially recorded as a contract liability until recognized as revenue over time.

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The Company is entitled to monthly royalties and marketing fund fees based on a percentage of the franchisee's gross sales as defined in the franchise agreement. Royalty and marketing fund revenue are recognized when the franchisee's reported sales occur. Other fees consist primarily of point of sale computer support and technology access fee charges to franchised stores which are earned upon completion of the service, which is typically monthly. Depending on timing within a fiscal period, the recognition of revenue results in accounts receivable on the consolidated balance sheets. Certain marketing fund fees are billed a month in advance of the service period, however, no revenue is recognized until the franchisee sales occur for the given period.

Contract liabilities result from franchise fees paid by franchisees. The Company classifies these liabilities within current portion of contract liabilities and contract liabilities, less current portion within our consolidated balance sheets based on the expected timing of revenue recognition associated with these liabilities.

The following table reflects the change in contract liabilities between the date of adoption (January 1, 2019) and December 31, 2020:

Balance, January 1, 2019	\$ 2,435
Revenue recognition	<u>(209)</u>
Balance, December 31, 2019	2,226
Revenue recognition	<u>(209)</u>
Balance, December 31, 2020	<u>\$ 2,017</u>

The following table illustrates estimated revenues expected to be recognized in the future related to unsatisfied performance obligations as of December 31, 2020:

<u>Fiscal Year</u>	
2021	\$ 209
2022	209
2023	209
2024	209
2025	209
Thereafter	<u>972</u>
Total	<u>\$ 2,017</u>

Supplier Commissions

Supplier commissions are based on a percentage of orders placed for purchases with specific vendors by Batteries Plus operated and franchised stores. Supplier commissions earned by Ascent on purchases which were directly shipped to franchised stores are included in other operating income on the consolidated statements of net income (loss). Supplier commissions earned by Ascent on purchases which were directly shipped to Batteries Plus operated stores are recorded as a reduction to costs of merchandise sold on the consolidated statements of net income (loss).

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Vendor Allowances

Vendor allowances are based on a percentage of orders placed for purchases with specific vendors by Ascent. Vendor allowances are recognized upon the vendor's shipment of the goods and are recorded as a reduction of cost of merchandise sold.

Shipping Costs

Revenue and costs of shipping are included, net of selling and delivery expenses in operating expenses and totaled approximately \$7,767 and \$7,409 for the years ended December 31, 2020 and 2019, respectively.

Advertising

The Company expenses the costs of advertising as incurred. Advertising expense for the years ended December 31, 2020 and 2019 was \$2,801 and \$3,509, respectively.

Concentration of Credit Risk

The Company maintains bank account balances which at times may exceed federally insured limits. The Company has not experienced any losses with these accounts. Management believes the Company is not exposed to any significant credit risk on cash.

Income Taxes

No provision for federal income taxes is recorded in the consolidated financial statements since the Company is treated as a disregarded entity for federal income tax purposes. Accordingly, the Company's taxable income is reported on the income tax return of Holdings and the two companies are not subject to a tax sharing agreement. In addition, the Company is subject to various income taxes and surcharges in states with franchised stores, and in China and Hong Kong with respect to its wholly owned subsidiaries, whose tax expense and attributes are not material.

As required by the uncertain tax position guidance, Holdings recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the consolidated financial statements is the largest benefit that a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. Holdings has applied the uncertain tax position guidance to all tax positions for which the statute of limitations remained open.

Holdings' federal income tax returns are subject to examination generally for three years after they are filed and its state income tax returns generally for four years after they are filed. During 2019, Holdings received notification from the Internal Revenue Service that it was initiating a review of the Company's 2017 tax return. This review began in February 2020 and is expected to conclude sometime 2021.

Holdings had no interest and penalties related to income taxes for the years ended December 31, 2020 and 2019. It is the Company's accounting policy that penalties and interest, if and when assessed by income taxing authorities, are included in operating expenses.

Distributions to Member

Distributions are made in amounts as determined by the Company's management, which are generally used for Holdings' debt-service payments, income taxes and Holdings' administrative expenses.

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Presentation of Sales Taxes

Batteries Plus and Ascent collect sales tax from certain customers and remits the entire amount to the appropriate governmental entities. Batteries Plus and Ascent's accounting policy is to exclude the tax collected and remitted from merchandise sales and cost of merchandise sold.

Stock-Based Compensation Plan

Batteries Plus recognizes stock-based compensation cost using fair value provisions prescribed on a straight-line basis over the vesting period for stock options issued. This expense is allocated from options granted by BPB.

Fair Value Measurement of Financial Instruments

Based on the Company estimates, the carrying amounts of cash, receivables, prepaid expenses, due to or from national marketing fund, accounts payable, accrued expenses, current portion of capital lease obligation, current portion of contract liability, and due to franchisees, because of their short-term nature, approximated fair value as of December 31, 2020 and 2019.

Reclassifications

Certain reclassifications have been made to the 2019 financial statement footnotes in order to conform to the 2020 presentation. There were no changes to previously reported member's equity or net income as a result of the reclassifications.

Future Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the consolidated balance sheets for leases with terms exceeding 12 months. The standard defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 was effective for annual or interim reporting periods beginning after December 15, 2018, for public business entities and was originally effective after December 15, 2019, for other entities. During 2019, the standard was delayed for non-public entities and will be effective after December 15, 2021. Early adoption is permitted. The Company is currently evaluating the impact on the results of operations, financial condition, and cash flow, and has not determined the impact on its consolidated financial statements at this time.

During June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses* (as amended by ASU 2018-19, 2019-10 and 2019-11), which introduces new guidance for the accounting for credit losses on financial instruments and provides for a simplified accounting model for purchased financial assets with credit deterioration since their origination. The standard is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted for annual periods beginning after December 15, 2018, including interim periods within those fiscal years. The new standard must generally be adopted using a modified retrospective transition method, through a cumulative-effect adjustment to retained earnings as of the beginning of the first effective reporting period. The Company is currently in the process of evaluating the impact of this new pronouncement on its consolidated financial position and results of operations and its adoption timing.

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In December 2019, FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes* (“ASU 2019-12”), as part of its simplification initiative. ASU 2019-12 removes certain exceptions from Accounting Standards Codification ASC 740, *Income Taxes ASC 740*, including (i) the exception to the incremental approach for intra period tax allocation when there is a loss from continuing operations and income or a gain from other items such as discontinued operations or other comprehensive income; (ii) the exception to accounting for outside basis differences of equity method investments and foreign subsidiaries; and (iii) the exception to limit tax benefit recognized in interim period in cases when the year-to-date losses exceeds anticipated losses. AS2019-12 also simplifies U.S. GAAP in several other areas of ASC 740 such as (i) franchise taxes and other taxes partially based on income; (ii) step-up in tax basis goodwill considered part of a business combination in which the book goodwill was originally recognized or should be considered a separate transaction; (iii) separate financial statements of entities not subject to tax; and (iv) interim recognition of enactment of tax laws or rate changes. ASU 2019-12 is effective for the Company for fiscal years beginning after December 15, 2022. The Company is currently evaluating the impact that the adoption of ASU 2019-12 would have on its consolidated financial statements.

Impact of COVID-19 Pandemic

On March 11, 2020, the World Health Organization characterized the novel coronavirus disease (COVID-19) as a pandemic. As of the date of these consolidated financial statements, the Company has not experienced a direct material impact to its operations or financial activity. However, the broader implications of COVID-19 on the Company’s results of operations and overall financial performance remain uncertain. The Company may experience business disruptions that could materially impact the Company’s business, results of operations, and overall financial performance in future periods.

Subsequent Events

The Company has evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through February 26, 2021, the date on which the consolidated financial statements were available to be issued.

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NOTE D - OTHER INTANGIBLE ASSETS, NET

The carrying amount and accumulated amortization of other intangible assets consists of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Contract rights	\$ 123,848	\$ 123,848
Trade names	103,875	103,875
Customer relationships	100,903	100,903
Contractual relationships	58,200	58,200
Proprietary software	<u>663</u>	<u>663</u>
Gross carrying amount	387,489	387,489
Accumulated amortization		
Contract rights	(27,780)	(21,587)
Customer relationships	(23,841)	(18,514)
Contractual relationships	(15,358)	(11,935)
Proprietary software	<u>(663)</u>	<u>(593)</u>
Total accumulated amortization	(67,642)	(52,629)
Accumulated impairment		
Trade names	<u>(49,712)</u>	<u>(49,712)</u>
	<u>\$ 270,135</u>	<u>\$ 285,148</u>

Trade name has an indefinite useful life and therefore is not amortized. Intangible assets with definite lives are amortized using the straight-line method over the lesser of the asset's life or estimated remaining useful life. The estimated useful lives by major classification are as follows:

	<u>Years</u>
Contract rights	20
Customer relationships	19
Contractual relationships	17
Proprietary software	3-4

Scheduled amortization expense for intangible assets for the years ended December 31 are as follows:

2021	\$ 14,927
2022	14,927
2023	14,927
2024	14,927
2025	14,927
Thereafter	<u>141,337</u>
	<u>\$ 215,972</u>

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NOTE E - NATIONAL MARKETING FUND AND DIGITAL MARKETING PROGRAM

In 2020 and 2019, National Marketing Fund and Digital Marketing Program contributions from franchisees and the related expenditures were reported on a gross basis in the consolidated statements of net loss, in accordance with Topic 606.

Batteries Plus oversees and administers the National Marketing Fund (the Fund) which serves as a marketing association for all Batteries Plus stores. The Fund develops, initiates and executes marketing programs including, but not limited to, the development of traditional marketing tools for the mutual benefit of its contributors. The Fund is not a separate legal entity and is included in the Company's consolidated balance sheets. The Fund is managed by Batteries Plus.

Contributions to the Fund are generally based upon 1% of adjusted gross sales of each Batteries Plus operated and franchised stores. A summary of the contributions to the Fund, which are restricted for marketing, and the expenditures from the Fund is as follows for year ended December 31:

	2020	2019
Balance of NMF fund asset, beginning of year	\$ 527	\$ 386
Contributions received	(5,124)	(5,165)
Marketing expenditures	6,955	5,306
Balance of NMF fund asset, end of year	\$ 2,358	\$ 527

Contributions to the Fund are recorded as other operating income of Batteries Plus and marketing expenditures of the Fund are recorded as an operating expense of Batteries Plus. Depreciation expense related to the National Marketing fund was included within the depreciation line item of the consolidated statements of net income (loss) in the amount of \$10 and \$0 as of December 31, 2020 and December 31, 2019, respectively.

Batteries Plus also oversees and administers the Digital Marketing Program (the Program) which serves as a marketing coop for all Batteries Plus stores. The Program develops, initiates and executes digital marketing programs including, but not limited to, the development of electronic, or internet-based marketing activities for the mutual benefit of its contributors. The Program is not a separate legal entity and is included in the Company's consolidated balance sheets. The Program is managed by Batteries Plus.

Contributions to the Program are generally based upon the greater of 2.5% of store net revenues, which is subject to a minimum and a maximum contribution. A summary of the contributions to the program, which are restricted for digital marketing activities, and the expenditures from the Program is as follows for year ended December 31:

	2020	2019
Balance of Program liability, beginning of year	\$ (503)	\$ (1,359)
Reversal of amounts billed in-advance in December	-	1,014
Billed-in-advance adjustment	(60)	-
Contributions received	(11,579)	(12,648)
Marketing expenditures	11,832	12,490
Balance of Program liability, end of year	\$ (310)	\$ (503)

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019
(in thousands)

Contributions to the Program are recorded as other operating income of Batteries Plus and expenditures of the Program are recorded as an operating expense of Batteries Plus.

NOTE F - ACCOUNTS RECEIVABLE

Accounts receivable consist of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Trade receivables	\$ 20,239	\$ 18,047
Franchise royalty and marketing fees	2,849	3,198
Vendor allowances	1,976	1,669
Credit card	<u>387</u>	<u>240</u>
	25,451	23,154
Less allowance for doubtful accounts	<u>(262)</u>	<u>(249)</u>
	<u>\$ 25,189</u>	<u>\$ 22,905</u>

Trade receivables consist primarily of amounts due from franchised stores for merchandise purchased from Ascent and from commercial customers of Batteries Plus operated stores.

NOTE G - MERCHANDISE INVENTORIES

Merchandise inventories are comprised of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Merchandise inventories	\$ 44,968	\$ 45,387
Less reserve for inventory obsolescence	<u>(2,345)</u>	<u>(1,716)</u>
	<u>\$ 42,623</u>	<u>\$ 43,671</u>

NOTE H - NOTES RECEIVABLE

In 2020 and 2019, there are three franchisees with Notes receivable under the ownership with honors program. These agreements have a term of 10 years with a stated interest rate of 0%. There are no principal payments for the first two years, after which, the royalty rate increases by 3% until the remaining balance on the note is paid down. Once annual store sales reach \$850, any remaining balance on the note will be forgiven. The total notes receivable from these three franchisees is \$448 and \$485 as of December 31, 2020 and 2019, respectively, with the entire principal balance due in 2026.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019
(in thousands)

NOTE I - CAPITAL LEASE

During 2018, the Company entered into a lease agreement for software and equipment that met the criteria to be classified as a capital lease. The cost of the software and equipment under the capital lease is included in the consolidated balance sheets as lease equipment at \$768 as of December 31, 2020 and 2019. The lease of software and equipment is being amortized over a seven-year estimated useful life of the asset. Accumulated depreciation of equipment was \$247 and \$137 at December 31, 2020 and 2019, respectively. The capitalized lease obligations reflect the present value of future lease payments under the current lease agreement and is recorded as capital lease obligation in the accompanying consolidated balance sheets.

Following is a schedule of future minimum lease payments under the capital lease, together with the present value of the net minimum lease payments as of December 31, 2020.

Years ended December 31,

2021	\$	408
2022		408
2023		<u>135</u>
Total minimum lease payments		<u>951</u>
Less		
Imputed interest		284
Executory costs		<u>252</u>
Present value of future minimum lease payments	\$	<u>415</u>

NOTE J - OPERATING LEASES

Batteries Plus leases all corporate stores, warehouse space and the administrative office facility under non-cancellable operating leases expiring at various dates through 2040. Batteries Plus is generally required to pay real estate taxes and other costs for the leased facilities. Ascent leases a warehouse facility under a non-cancellable operating lease that expires in May 2024. Related to the Ascent warehouse facility, Batteries Plus and Ascent lease certain equipment under non-cancellable leases. The Company recognizes lease expense on a straight-line basis over the lease term. However, a number of these lease agreements have escalation or rent holiday clauses. As a result, the Company has recorded an accrued rent liability as of December 31, 2020 and 2019, of \$881 and \$805, respectively, within other accrued expenses, to recognize the accumulated difference between the lease payments and the lease expense.

Total rent expense, which is recorded within occupancy on the consolidated statements of net income (loss), for the years ended December 31, 2020 and 2019 was approximately \$6,358 and \$5,659, respectively.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019
(in thousands)

Future minimum lease payments under operating leases that have remaining non-cancelable terms in excess of one year subsequent to December 31, 2020, are as follows:

<u>Years ended December 31,</u>	
2021	\$ 6,225
2022	5,690
2023	5,336
2024	4,646
2025	4,210
Thereafter	<u>29,214</u>
	<u>\$ 55,321</u>

Due to the adverse impacts of COVID-19, the Company negotiated rent deferral and payback periods with a number of store landlords. The rent deferral generally included the months of April and May 2020. Based on the guidance set forth in the FASB issued Staff Q&A - *Topic 842 and Topic 840: Accounting for Lease Concessions Related to the Effects of the COVID-19 Pandemic* the Company has accounted for these deferrals as if no changes to the lease contract were made and will not elect to apply the lease modification guidance under ASC 840. As of December 31, 2020, the Company has deferred rent of approximately \$347 which was recorded within accrued expenses and other current liabilities and will be paid in accordance with the concession arrangements.

Contract Termination

During 2020 and 2019, the Company terminated 11 and 2 store locations, respectively. As a result, the Company recorded a discounted contract termination liability of \$1,260 and \$547, as of December 31, 2020 and December 31, 2019, respectively. There is \$532 and \$36 of current portion of contract termination costs held in other accrued expenses as of December 31, 2020 and December 31, 2019, respectively.

NOTE K - COMMITMENTS AND CONTINGENCIES

Self-Insurance

The Company is exposed to various risks of loss related to its employees' medical costs. The Company has "stop-loss" coverage for costs in excess of \$125 per individual per policy period. A liability of approximately \$719 and \$377 for claims incurred but not yet paid at December 31, 2020 and 2019, respectively, has been recorded within accrued expenses within the accompanying consolidated balance sheets. Management believes this liability is sufficient to cover estimated claims including claims incurred but not yet reported.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019
(in thousands)

Guarantees

The Company guarantees a loan agreement on behalf of Holdings. The loan agreement, for which Holdings is primarily liable, expires in July 2022. The loan agreement is collateralized by substantially all assets of the Company. Holdings' liability for the unpaid loan balances was \$202,000 at December 31, 2020, and incurred interest costs of \$17,200. The maximum amount of future debt service payments that could be required to be paid under the guarantee is \$232,000 plus interest, which represents the \$202,000 remaining balance on the term loan and \$30,000 maximum revolving loan commitment. Holdings borrows amounts on the revolving loan, commitment to fund the Company's cash flow needs, if any, during the year. During 2020 and 2019, the Company received \$39,000 and \$50,000 from Holdings under this commitment, respectively, all of which was repaid through distributions to Holdings during the years. In accordance with accounting principles generally accepted in the United States of America, no amount has been accrued in the accompanying consolidated financial statements for the guarantees. The Company holds no collateral in respect of the guarantees of their parent company.

Litigation

From time to time, the Company is involved in various claims and lawsuits, both for and against the Company, arising in the normal course of business. When the claims are probable, reserves are established based on estimates from available information. There is inherent uncertainty as to the eventual resolution of unsettled claims. Management believes that any financial responsibility that may be incurred in settlement of such claims and lawsuits beyond amounts not previously provided for would not have a material effect on the Company's consolidated financial condition, results of operations or cash flows.

Warranty

Management's estimate of the accrual for product warranty claims is based upon a review of the Company's vendors, the purchases made from these vendors and their warranty terms. Management reviews the annual purchases made from these vendors and their related warranty terms as well as their levels of expected returned merchandise to determine the Company's exposure regarding potential warranty liability for each vendor's product. The accrual is recorded to match management's expected warranty exposure. Warranty expense for the years ended December 31, 2020 and 2019 was approximately \$2,816 and \$3,053, respectively. Warranty claims for the years ended December 31, 2020 and 2019 were approximately \$2,750 and \$2,908, respectively.

Regulatory Matters

The Company, as a result of the nature of its business, must comply with various federal and state regulations related to environmental and safety matters for the proper handling, recycling and disposal of batteries and light bulbs. Additionally, the Company must comply with various state and federal regulations related to consumer protection laws related to privacy and data protection. Management believes they are in compliance, in all material respects, with such regulations as of December 31, 2020 and 2019.

NOTE L - PROFIT-SHARING PLAN

Batteries Plus has a qualified 401(k) contributory profit-sharing plan covering all eligible employees. Batteries Plus' contribution to the Plan is a discretionary amount determined each year by Batteries Plus. Batteries Plus' contributions for the years ended December 31, 2020 and 2019 were approximately \$1,041 and \$905, respectively.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019
(in thousands)

NOTE M - BRAND LICENSING AGREEMENTS

Batteries Plus has entered into strategic brand partnership licensing agreements with various branding companies. As part of these agreements, Batteries Plus has the rights to market branded products across multiple product categories in the United States, its territories and Canada through its corporate stores and franchises and over a captive web domain. Batteries Plus may be subject to purchase commitments and minimum and or maximum annual license fees or royalties based on a percentage of purchases of branded products. The minimum or maximum license fee or royalty can be reduced, in some cases, based on meeting certain performance conditions. The agreements have differing maturity dates, with extensions through 2033.

As of December 31, 2020, minimum future purchase commitments under these agreements are as follows:

2021	\$	10,949
2022		11,387
2023		11,842
2024		12,316
2025		12,809
Thereafter		13,321

As of December 31, 2020, the approximate license or royalty fees under these agreements may be as follows:

	<u>Minimum</u>	<u>Maximum</u>
2021	\$ 1,900	\$ 2,800
2022	1,900	3,300
2023	1,900	3,300
2024	1,900	3,300
2025	1,900	3,300
Thereafter	1,900	3,300

NOTE N - STORE ACQUISITIONS

During 2020, Batteries Plus acquired the operating assets of 21 franchised stores and one warehouse. Batteries Plus now operates these locations as Batteries Plus operated stores. The allocation of the \$10,502 purchase price was based on the fair value of the assets acquired and liabilities assumed, which is summarized as follows: \$1,682 to inventory, \$715 to property and equipment, \$57 to other assets, \$8,355 to goodwill, and \$(307) to current liabilities. Of this purchase price, \$4,758 was cash and \$5,744 was a notes payable due by June 30, 2021.

During 2019, Batteries Plus acquired the operating assets of 7 franchised stores and one warehouse. Batteries Plus now operates these locations as Batteries Plus operated stores. The allocation of the \$1,571 purchase price was based on the fair value of the assets acquired and liabilities assumed, which is summarized as follows: \$636 to inventory, \$97 to property and equipment, \$26 to other assets, \$1,067 to goodwill, and \$(249) to current liabilities. A gain of \$6 was recognized on the bargain purchase related to one of these stores.

Operating results of franchised stores acquired have been included in the accompanying consolidated financial statements from their respective acquisition dates forward.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019
(in thousands)

NOTE O - STOCK OPTION PLAN

BPB has adopted a stock-based compensation plan for employees. BPB reserves shares of common stock to provide for the exercise of stock options and the issuance of common stock under certain incentive compensation awards. BPB recognizes compensation cost on a straight-line basis over the vesting period for the stock compensation awards issued. BPB allocates compensation expense to the Company to the extent Company employees are receiving the awards.

BPB formed the 2016 Equity Incentive Plan (2016 Plan) to provide certain management and key employees with incentive-based awards. The 2016 Plan provides options which are dependent on certain service and performance based conditions, as follows:

Performance-Based Options - If the eligible employee remains continuously employed by Batteries Plus throughout the defined service period, a performance-based target of a pre-determined amount of value is achieved, and an event occurs that includes a distribution of cash to the majority shareholder at a pre-determined amount, then the options will vest and become exercisable with respect to 20% per year of the total number of performance target options held by the eligible employee over a five-year period.

Service-Based Options - If the eligible employee remains continuously employed by Batteries Plus over their defined service period, then this option will vest annually with respect to 20% of the service-based options held by the employee.

The fair value of each stock option grant was determined using the Black-Scholes options pricing model in the year of the grant. As of December 31, 2020 and 2019, total unrecognized compensation cost related to non-vested service options granted under the 2016 Plan was \$273 and \$271, respectively, which are expected to be recognized over a weighted average period of approximately 60 months.

As of December 31, 2020 and 2019, under the 2016 Plan, a total of approximately 102,643 and 103,493 performance-based options, respectively, were outstanding, which vest upon an achievement of a realization value. As this value has not been achieved, it is therefore not probable as of December 31, 2020 and no expense has been recognized for those awards.

Total stock-based compensation expense included in the Company's consolidated statements of net income (loss) was \$289 and \$314 for the years ended December 31, 2020 and 2019, respectively.

The following table summarizes the option activity during 2020 and 2019, and the call option value and exercise price for service and performance options at December 31, 2020 and 2019.

	Service Options	Weighted Option Fair Value	Performance Options	Weighted Option Fair Value	Total Options	Exercise Price
Balance at December 31, 2018	111,777	\$ 14.17	78,793	\$ 1.09	190,570	\$ 130.87
Granted	54,000		38,000		92,000	
Exercised	(3,930)		-		(3,930)	
Forfeited	(11,270)		(13,300)		(24,570)	
Balance at December 31, 2019	150,577	\$ 10.44	103,493	\$ 0.01	254,070	\$ 123.32
Granted	28,350		8,650		37,000	
Exercised	-		-		-	
Forfeited	(6,750)		(9,500)		(16,250)	
Balance at December 31, 2020	<u>172,177</u>	\$ 8.58	<u>102,643</u>	\$ 1.67	<u>274,820</u>	\$ 113.85

a

EXHIBIT B
MULTIPLE UNIT FRANCHISE AGREEMENT

BATTERIES PLUS®
MULTIPLE UNIT FRANCHISE AGREEMENT

MULTIPLE UNIT FRANCHISEE

DATE OF AGREEMENT

Batteries Plus, L.L.C.
STD 2022 MFA

BATTERIES PLUS®
MULTIPLE UNIT FRANCHISE AGREEMENT

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- B - STORE DEVELOPMENT SCHEDULE
- C - GUARANTY AND ASSUMPTION OF OBLIGATIONS
- D - BATTERIES PLUS® FRANCHISE AGREEMENT

BATTERIES PLUS®
MULTIPLE UNIT FRANCHISE AGREEMENT

THIS MULTIPLE UNIT FRANCHISE AGREEMENT (this “Agreement”) is made this ____ day of _____, 20__ between Batteries Plus, L.L.C., a Wisconsin limited liability company, having its principal place of business at 1325 Walnut Ridge Drive, Hartland, Wisconsin 53029 (“Franchisor”), and _____, a _____ formed and operating under the laws of the state of _____, or _____, an individual, and having its principal place of business at _____ (“Multiple Unit Franchisee”).

INTRODUCTION

- A. Franchisor has developed and owns a system (the “System”) relating to the establishment, development and operation of retail stores selling batteries, light bulbs and related products, together with device repair, key fob repair and replacement, and other services for the individual retail and commercial consumer.
- B. Franchisor is the owner of the Batteries Plus® trademark and other trademarks, domain names, service marks, logos and commercial symbols (the “Licensed Marks”) used in operating the System.
- C. Franchisor grants to qualified persons the right to establish, own and operate more than one Batteries Plus® store within a defined geographic area pursuant to a development schedule.
- D. Multiple Unit Franchisee desires to obtain the right to develop and operate Batteries Plus® stores using the System within a defined geographic area.

AGREEMENTS

In consideration of the mutual covenants and agreements stated below, the parties agree as follows:

1. REFERENCES AND DEFINITIONS

- A. Confidential Information. “Confidential Information” means the methods, techniques, formats, marketing and promotional techniques and procedures, specifications, information, systems and knowledge of and experience in the operation and franchising of Batteries Plus® stores that Franchisor communicates to Multiple Unit Franchisee or that Multiple Unit Franchisee otherwise acquires in operating Stores under the System. Confidential Information does not include information, processes or techniques which are generally known to the public, other than through disclosure (whether deliberate or inadvertent) by Multiple Unit Franchisee.
- B. Designated Area. “Designated Area” means the geographic area described in Exhibit A.
- C. Development Schedule. “Development Schedule” means the period of time and cumulative number of Stores Multiple Unit Franchisee must open and operate as established in the Store Development Schedule (Exhibit B to this Agreement).
- D. Franchise Agreement. “Franchise Agreement” means the then-current form of agreements (including franchise agreement and any exhibits, and other documents referenced therein), Franchisor customarily uses in granting franchises to own and operate a Store. Multiple Unit Franchisee acknowledges

that the Franchise Agreement attached as Exhibit D is the current form of Franchise Agreement and Franchisor, at its discretion, may modify the standard form of Franchise Agreement customarily used in granting a Batteries Plus® franchise; provided, that the initial franchise fee and royalty and service fees will remain at the same rate as provided in the Franchise Agreement attached as Exhibit D.

E. Operating Manager. “Operating Manager” means any manager selected by Multiple Unit Franchisee and approved by Franchisor to manage Multiple Unit Franchisee’s development of Stores pursuant to this Agreement.

F. Principal Owner. “Principal Owner” means any person or entity who directly or indirectly owns a ten percent (10%) or greater interest in Multiple Unit Franchisee. If any corporation or other entity other than a partnership is a Principal Owner, a “Principal Owner” also will mean each shareholder or owner of a ten percent (10%) or greater interest in such corporation or other entity. If a partnership is a Principal Owner, a “Principal Owner” also will mean each general partner of such partnership and, if such general partner is an entity, each owner of a ten percent (10%) or greater interest in such general partner. If the Multiple Unit Franchisee is one or more individuals, each individual will be deemed a Principal Owner of Multiple Unit Franchisee.

G. Store. “Store” means a Batteries Plus® store offering a full line of batteries, light bulbs and related products, together with device repair, key fob repair and replacement, and other services, that Multiple Unit Franchisee has developed and operates or will develop and operate under a Franchise Agreement.

2. USE OF SYSTEM

Multiple Unit Franchisee acknowledges, and does not contest, Franchisor’s exclusive ownership and rights to each and every aspect of the System, as Franchisor may, in the future, modify or further develop. Multiple Unit Franchisee’s right to use the System is specifically limited to the provisions of this Agreement and the Franchise Agreements for individual Stores executed by the parties hereto, and is subject to the supervision and control of Franchisor.

3. DEVELOPMENT RIGHTS AND OBLIGATIONS

A. Term of Agreement/Reservation of Rights. Subject to earlier termination as provided herein, this Agreement is for a term commencing on the date executed and expiring on the last day of the last Development Period as stated in the Development Schedule. Franchisor (for itself and its affiliates) retains the right: (1) to itself own and operate, and to grant other persons the right to own and operate, Batteries Plus® stores at locations outside the Designated Area, who may offer products and services within the Designated Area, and on conditions as Franchisor deems appropriate; (2) to sell within and outside the Designated Area the products and services authorized for sale at Batteries Plus® stores under trademarks and service marks other than the Licensed Marks through similar or dissimilar channels of distribution and pursuant to conditions Franchisor deems appropriate; (3) to sell the products and services authorized for sale at Batteries Plus® stores under the Licensed Marks through dissimilar channels of distribution (i.e., other than the operation of full-service retail Batteries Plus® stores), including by electronic means such as the Internet and by websites established by Franchisor, and pursuant to conditions Franchisor deems appropriate within and outside the Designated Area; and (4) to advertise the System on the Internet (or any other existing or future form of electronic commerce) and to create, operate, maintain and modify, or discontinue the use of a website using the Licensed Marks.

B. Rights During Development Periods. If Multiple Unit Franchisee: (1) is in full compliance with the conditions contained in this Agreement, including the satisfaction of all development obligations

as stated in Exhibit B; and (2) is in full compliance with all obligations under each franchise agreement entered into between Franchisor and Multiple Unit Franchisee for individual Stores; then, during the Development Schedule, Franchisor will: (i) grant franchises to Multiple Unit Franchisee to own and operate Stores located within the Designated Area; and (ii) not operate (directly or through an affiliate), nor grant a franchise to a third party to operate, any Store within the Designated Area, except franchises granted to Multiple Unit Franchisee. If Multiple Unit Franchisee fails to comply with the Development Schedule, Franchisor may terminate this Agreement under Section 13 below or grant individual or multiple unit franchises within the Designated Area to third parties.

C. Development Obligations. During the term of this Agreement, Multiple Unit Franchisee will honestly and diligently perform its obligations and continuously exert its best efforts to promote and enhance the development of Stores within the Designated Area. Multiple Unit Franchisee agrees to open and continue to operate the cumulative number of Stores as required in the Development Schedule.

D. Extension Fee. If Multiple Unit Franchisee cannot comply with the Development Schedule, Multiple Unit Franchisee may request in writing that Franchisor approve an extension of up to six (6) months of the time in which Multiple Unit Franchisee must open a Store. Multiple Unit Franchisee must pay Franchisor a nonrefundable extension fee of Ten Thousand Dollars (\$10,000) when Multiple Unit Franchisee requests an extension to the Development Schedule for any Store. If Franchisor grants such an extension, the extension will be limited to the period permitted by Franchisor not to exceed six (6) months. Multiple Unit Franchisee will not receive more than one (1) extension per Store (whether under this Agreement or the Franchise Agreement governing the Store).

4. STORE CLOSINGS

A Store which is permanently closed with the approval of Franchisor after having been open is deemed open and in operation for purposes of the Development Schedule if a replacement Store is open and in operation within six (6) months from the date of closing. A replacement Store does not otherwise count toward quotas.

5. GRANT OF FRANCHISES TO MULTIPLE UNIT FRANCHISEE

Subject to the provisions of Sections 3 and 4 of this Agreement, Franchisor agrees to grant franchises to Multiple Unit Franchisee to operate Stores located in the Designated Area under the following conditions:

A. Site Report. Multiple Unit Franchisee delivers to Franchisor a complete site report (containing demographic, commercial, and other information and photographs as Franchisor reasonably requires) for each site at which Multiple Unit Franchisee proposes to establish and operate a Store and which Multiple Unit Franchisee reasonably believes to comply with site selection criteria established by Franchisor. The proposed site is subject to Franchisor's prior written acceptance, which will not be unreasonably withheld. In accepting or rejecting any proposed site, Franchisor will consider demographic characteristics of the proposed site, traffic patterns, parking, the predominant character of the neighborhood, competition from auto parts and auto service stores, the proximity to other businesses (including other Batteries Plus® stores), the nature of other businesses in proximity to the site, and other commercial characteristics and the size of premises, appearance, and other physical characteristics. Franchisor's acceptance of a proposed Store site does not represent a warranty or representation of any kind as to the suitability of the proposed location for a Batteries Plus® store. Multiple Unit Franchisee must obtain Franchisor's acceptance of a site for the first Store within three (3) months from the date of this Agreement.

B. Financial Capability Criteria. Multiple Unit Franchisee meets the standard financial capability criteria developed by Franchisor. To this end, Multiple Unit Franchisee must furnish to Franchisor financial statements and other information regarding Multiple Unit Franchisee and the development and operation of the proposed Store (including pro forma statements and investment and financing plans for the proposed Store) as Franchisor reasonably requires.

C. Store Site Acceptance. Franchisor will accept or reject Store sites proposed by Multiple Unit Franchisee by delivering written notice to Multiple Unit Franchisee. Franchisor will exert its best efforts to deliver notification to Multiple Unit Franchisee within thirty (30) days of Franchisor's receipt of the complete site reports and the financial statements and other materials and information Franchisor requests. If Multiple Unit Franchisee fails to obtain lawful possession of an approved site (through acquisition or leasing) within one hundred twenty (120) days following Franchisor's delivery of site approval, Franchisor may withdraw approval of the site.

D. Franchise Agreement; Initial Franchise Fee. Multiple Unit Franchisee (and its Principal Owners (if any)) must sign the Franchise Agreement and pay the initial franchise fee for a specific Store (other than the Franchise Agreement for Multiple Unit Franchisee's initial Store) and return it to Franchisor the earlier of delivering a complete site report or at least nine (9) months prior to the date by which Franchisee must open the Store pursuant to the Development Schedule. Multiple Unit Franchisee will sign the Franchise Agreement and pay the initial franchise fee for the initial Store (unless such Store previously was developed and currently is in operation) at the time Multiple Unit Franchisee signs this Agreement.

6. MULTIPLE UNIT FRANCHISE FEE

Upon execution of this Agreement, Multiple Unit Franchisee must pay to Franchisor, as a nonrefundable "Territory Fee," the sum of Fifteen Thousand Dollars (\$15,000) for each Store that Multiple Unit Franchisee agrees to establish pursuant to the Development Schedule. The Territory Fee is deemed fully earned by Franchisor upon execution of this Agreement and is nonrefundable. The Territory Fee for each Store is credited against any applicable initial franchise fee. The total Territory Fee, the number of Stores that Multiple Unit Franchisee commits to open and the initial franchise fee for each Store is described on the Development Schedule.

7. SUPERIORITY OF INDIVIDUAL FRANCHISE AGREEMENT

All individual Franchise Agreements that Franchisor and Multiple Unit Franchisee sign for Stores within the Designated Area are independent of this Agreement. The continued effectiveness of any individual Franchise Agreement does not depend on the continued effectiveness of this Agreement. If any conflict arises between this Agreement and any individual Franchise Agreement as to any individual Store, the latter will control.

8. CONFIDENTIAL INFORMATION

A. Ownership and Use of Confidential Information. Multiple Unit Franchisee acknowledges and agrees that it does not acquire any interest in the Confidential Information, other than the right to use it in developing and operating Stores pursuant to this Agreement, and that the use or duplication of the Confidential Information in any other business constitutes an unfair method of competition. Multiple Unit Franchisee acknowledges and agrees that the Confidential Information is proprietary and is disclosed to Multiple Unit Franchisee solely on the condition that Multiple Unit Franchisee agrees that it: (i) will not use the Confidential Information in any other business or capacity; (ii) will maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement; (iii) will not make unauthorized copies of any portion of the Confidential Information disclosed in written form; (iv) will

adopt and implement all reasonable procedures Franchisor directs to prevent unauthorized use or disclosure of the Confidential Information, including restrictions on disclosure to Store employees; and (v) will require the Operating Manager and each of its officers, Store managers and other employees and agents with access to Confidential Information to sign a non-disclosure agreement in a form Franchisor directs or approves. Notwithstanding the foregoing, Franchisor and Multiple Unit Franchisee agree that, respecting each Store, each will own the “Customer Data” relating to that Store (as defined in and subject to the limits described in the Franchise Agreement for that Store).

The restrictions on Multiple Unit Franchisee’s disclosure and use of the Confidential Information will not apply to disclosure of Confidential Information in judicial or administrative proceedings to the extent Multiple Unit Franchisee is legally compelled to disclose this information, if Multiple Unit Franchisee uses its best efforts, and provides Franchisor the opportunity, to obtain an appropriate protective order or other assurance satisfactory to Franchisor of confidential treatment for the information required to be so disclosed.

B. Improvements. Multiple Unit Franchisee must fully and promptly disclose to Franchisor, all ideas, concepts, methods, techniques, improvements, and additions relating to the development and/or operation of a Batteries Plus® store or the System, or any new trade names, service marks or other commercial symbols, or associated logos relating to the operation of a Store, or any marketing, advertising or promotion ideas related to a Store (collectively the “Improvements”) conceived or developed by Multiple Unit Franchisee and/or its employees during the term of this Agreement. Multiple Unit Franchisee agrees that Franchisor has the perpetual right to use and authorize others to use the Improvements without any obligation to Multiple Unit Franchisee for royalties or other fees.

9. LICENSED MARKS

A. Ownership of Licensed Marks. Multiple Unit Franchisee acknowledges that he has no interest in or to the Licensed Marks and Multiple Unit Franchisee’s right to use the Licensed Marks is derived solely from the individual Franchise Agreements entered into between Multiple Unit Franchisee and Franchisor. Multiple Unit Franchisee agrees that all use of the Licensed Marks by him and any goodwill established exclusively benefits Franchisor. Multiple Unit Franchisee agrees that after termination or expiration of this Agreement, he will not, except with respect to Stores operated by Multiple Unit Franchisee under individual Franchise Agreements, directly or indirectly, identify himself or any business as a franchisee or former franchisee of, or otherwise associated with, Franchisor or use in any manner any Licensed Mark or trade dress of a Store or any colorable imitation thereof.

B. Limitations on Use of Licensed Marks. Multiple Unit Franchisee must not use any Licensed Mark as part of any corporate or trade name in any modified form, or in any other manner not explicitly authorized in writing by Franchisor. Multiple Unit Franchisee cannot use any Licensed Mark in any business or activity, other than the business conducted by Multiple Unit Franchisee pursuant to individual Franchise Agreements.

C. Litigation. Multiple Unit Franchisee must immediately notify Franchisor in writing of any apparent infringement of or challenge to Multiple Unit Franchisee’s use of any Licensed Mark, or claim by any person of any rights in any Licensed Mark or similar trade name, trademark, or service mark of which Multiple Unit Franchisee becomes aware. Multiple Unit Franchisee must not communicate with any person other than Franchisor and its counsel regarding any infringement, challenge or claim. Franchisor may take any action it deems appropriate and the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge or claim relating to any Licensed Mark.

D. Restrictions on Internet and Website Use. Franchisor retains the sole right to advertise the System on the Internet and to create, operate, maintain and modify, or discontinue the use of a website using the Licensed Marks. Multiple Unit Franchisee has the right to access Franchisor's website. Except as Franchisor may authorize in writing, however, Multiple Unit Franchisee will not: (1) link or frame Franchisor's website; (2) conduct any business or offer to sell or advertise any products or services on the Internet (or any other existing or future form of electronic communication); (3) create or register any Internet domain name in connection with Multiple Unit Franchisee's business; (4) use any e-mail address which Franchisor has not authorized for use in operating a Store; and (5) conduct any activity on "social media" or related social networking websites other than as Franchisor has expressly authorized in writing. Multiple Unit Franchisee will not register, as Internet domain names any of the Licensed Marks now or hereafter owned by Franchisor or any abbreviation, acronym or variation of the Licensed Marks, or any other name that could be deemed confusingly similar.

10. MANAGEMENT OF BUSINESS

Multiple Unit Franchisee (or a Principal Owner or Operating Manager) must exert full-time efforts to his/her obligations respecting this Agreement and must not engage in any other business or other activity, directly or indirectly, that requires any significant management responsibility or time commitments. Multiple Unit Franchisee (or the Principal Owner or Operating Manager) must supervise the development and operation of Stores and must be engaged in the day-to-day operations of any Store. Multiple Unit Franchisee must operate its business respecting this Agreement in full compliance with all applicable laws, ordinances and regulations. If Multiple Unit Franchisee desires to designate an Operating Manager, Multiple Unit Franchisee must provide Franchisor with all relevant information available to Multiple Unit Franchisee concerning the financial background, employment history and experience of the designated manager not later than fifteen (15) days before the date upon which the designated manager assumes responsibility as "Operating Manager." Multiple Unit Franchisee will obtain Franchisor's written consent to any Operating Manager. The Operating Manager will devote full time, energy and effort to the management and operation of Multiple Unit Franchisee's business and will attend each Batteries Plus® training program that Franchisor designates, including the Store manager training program.

11. MULTIPLE UNIT FRANCHISEE'S RECORDS AND REPORTS

Multiple Unit Franchisee must furnish to Franchisor monthly written reports regarding its progress on the development of Stores. In addition, Multiple Unit Franchisee must keep accurate financial records and other records relating to the development and operation of Stores in the Designated Area. Franchisor may at all reasonable hours examine and make photocopies of all such records or request that Multiple Unit Franchisee deliver, at its expense, such records to Franchisor. All records must be kept available for at least three (3) years after preparation.

12. RELATIONSHIP OF THE PARTIES

Franchisor and Multiple Unit Franchisee are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venturer or employee of the other. Neither party will obligate the other or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence. Multiple Unit Franchisee will hire all employees for its business and each Store, and be exclusively responsible for the terms of their employment and compensation, and all personnel decisions respecting Store employees without any influence or advice from Franchisor.

Multiple Unit Franchisee acknowledges and agrees that no past, present or future director, officer, employee, incorporator, member, partner, stockholder, subsidiary, affiliate, controlling party, entity under

common control, ownership or management, vendor, service provider, agent, attorney or representative of Franchisor will have any liability for (i) any of our obligations or liabilities relating to or arising from this Agreement, (ii) any claim against Franchisor based on, in respect of, or by reason of, the relationship between Multiple Unit Franchisee and Franchisor, or (iii) any claim against Franchisor based on any alleged unlawful act or omission of Franchisor.

13. TERMINATION BY FRANCHISOR

A. Multiple Unit Franchisee Defaults – Curable. Multiple Unit Franchisee will be in default and Franchisor may terminate this Agreement, effective ten (10) days following Multiple Unit Franchisee's receipt of written notice of termination, if Multiple Unit Franchisee fails to timely pay royalty and service fees, marketing fees or any other obligations or liabilities due and owing to Franchisor or its affiliates, other Batteries Plus® franchisees or suppliers approved by Franchisor as a source for required items, or fails to timely pay any advertising cooperative obligations. In addition, Multiple Unit Franchisee will be in default and Franchisor may terminate this Agreement, effective thirty (30) days following Multiple Unit Franchisee's receipt of written notice of termination, if any of the following breaches occur and Multiple Unit Franchisee fails to cure such breach by the expiration of the notice period:

1. Multiple Unit Franchisee fails to meet its development requirements described in the Development Schedule;
2. Multiple Unit Franchisee fails to comply with any other provision of this Agreement; or
3. Multiple Unit Franchisee fails to comply with the provisions of any Franchise Agreement for the operation of a Store or terminates a Franchise Agreement without cause (other than monetary defaults described above).

B. Multiple Unit Franchisee Defaults – Non-curable. In addition to the rights of termination described in Section 13(A) above, Franchisor may terminate this Agreement without granting Multiple Unit Franchisee any opportunity to cure the default, effective immediately upon written notice to Multiple Unit Franchisee, if any of the following occur:

1. If Multiple Unit Franchisee (or any Principal Owner or Operating Manager) fails on three (3) separate occasions within any period of twelve (12) consecutive months to comply with any provision of this Agreement, whether or not the failure to comply is corrected after notice is delivered to Multiple Unit Franchisee;
2. Multiple Unit Franchisee (or any Principal Owner) makes an unauthorized assignment or transfer of this Agreement or an ownership interest in Multiple Unit Franchisee;
3. Multiple Unit Franchisee (or any Principal Owner) makes any material misrepresentation or omission in its application for the development rights conferred by this Agreement;
4. Multiple Unit Franchisee (or any Principal Owner or Operating Manager) is convicted of, or pleads guilty to or no contest to a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes will injure the System, the Licensed Marks or the goodwill associated therewith, or if Franchisor has proof that Multiple Unit Franchisee has committed such a felony, crime or offense;

5. Multiple Unit Franchisee (or any Principal Owner or Operating Manager) makes any unauthorized use, disclosure or duplication of any portion of the Operations Manual (as defined in the first Franchise Agreement signed under this Agreement) or any other Confidential Information provided Multiple Unit Franchisee by Franchisor;

6. Multiple Unit Franchisee becomes insolvent because it cannot pay its debts as they mature or makes an assignment for the benefit of creditors or admits that it cannot pay Multiple Unit Franchisee's obligations as they become due;

7. Multiple Unit Franchisee (or any Principal Owner or Operating Manager) materially misuses or makes an unauthorized use of any Licensed Marks or commits any act which can reasonably be expected to materially impair or otherwise is prejudicial to the goodwill associated with any Licensed Marks;

8. Multiple Unit Franchisee develops or uses an unapproved website in connection with the Store or otherwise conducts any unauthorized activity on the Internet in violation of Section 9(D) above;

9. Multiple Unit Franchisee violates a provision of this Agreement which is not curable; or

10. If an immediate threat or danger to public health or safety results from the construction, maintenance or operation of a Store.

C. Rights to Development Stores on Termination. Upon termination of this Agreement, Multiple Unit Franchisee has no right to establish or operate any individual Store for which an individual Franchise Agreement has not been executed by Franchisor and delivered to Multiple Unit Franchisee at the time of termination. Franchisor may establish, and to license others to establish, Batteries Plus® stores in the Designated Area, except as may be otherwise provided under any other agreement which has been executed between Multiple Unit Franchisee and Franchisor.

D. Effect of Other Laws. To the extent the provisions of this Section 13 respecting permissible grounds, cure rights or minimum periods of notice for termination of this franchise are inconsistent with applicable law, the applicable law will supersede such provision of this Agreement.

14. EFFECT OF TERMINATION AND EXPIRATION

All obligations of Franchisor and Multiple Unit Franchisee under this Agreement which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect after the expiration or termination of this Agreement and until they are satisfied in full or by their nature expire.

15. COVENANTS

A. In-Term Covenants. During the term of this Agreement:

1. Multiple Unit Franchisee (including each Principal Owner) will not, during the term of this Agreement, directly or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or corporation, own, operate, lease, franchise, conduct, engage in, be connected with, having any interest in, or assist any person or entity engaged in any "Competing Business" (as defined in Section 15(C) below) (including any e-commerce or internet-based

business), except for Stores operated under Franchise Agreements granted by Franchisor and the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of that class of securities.

2. Multiple Unit Franchisee will not directly or indirectly divert or attempt to divert any business of or any customers of Stores to any Competing Business, by direct or indirect inducement or otherwise.

B. Post-Term Covenant Not to Compete. For a period of two (2) years from the date of the termination or expiration of this Agreement, Multiple Unit Franchisee (and each Principal Owner) will not directly or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or corporation, own, operate, lease, franchise, conduct, engage in, be connected with, having any interest in, or assist any person or entity engaged in any Competing Business that is located within a fifteen (15) mile radius of the Designated Area, or outside the Designated Area within a fifteen (15) mile radius of any then-existing Batteries Plus® store; provided the restrictions stated in this Section 15(B) will not apply to Stores operated under separate individual Franchise Agreements or the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of the class of securities. For purposes of this Section, any form of e-commerce business or website (other than one authorized by Franchisor and operated pursuant to a separate individual Franchise Agreement) that distributes, sells or otherwise deals in, at wholesale or retail, any batteries, light bulbs or related products, any device repair, key fob repair or replacement, or other services offered at a Batteries Plus® store, or any other related business that is competitive with, or similar to, a Batteries Plus® store, will be in violation of this provision if such e-commerce business or website offers, sells or otherwise makes its products or services available to individuals residing within or businesses located within the Designated Area or a fifteen (15) mile radius of any then-existing Batteries Plus® store. Multiple Unit Franchisee agrees that the length of time in this Section 15(B) will be tolled for any period during which Multiple Unit Franchisee is in breach of the covenants or any other period during which Franchisor seeks to enforce this Agreement.

C. Definition of Competing Business. The term “Competing Business” means any business that distributes, sells or otherwise deals in, at wholesale or retail, any batteries, light bulbs or related products, any device repair, key fob repair or replacement, or other services offered at a Batteries Plus® store, or any other related business that is competitive with, or similar to, a Batteries Plus® store.

16. ASSIGNMENT

A. By Franchisor. This Agreement is fully assignable by Franchisor and benefits any assignee or other legal successor to the interests of Franchisor. Any such assignment will require the assignee to fulfill Franchisor’s obligations under this Agreement. Franchisor reserves the right to outsource or assign any of its obligations under this Agreement to an affiliate or third party without Multiple Unit Franchisee’s consent.

B. Multiple Unit Franchisee Assignment Requiring Consent of Franchisor. Multiple Unit Franchisee understands and acknowledges that the rights and duties created by this Agreement are personal to Multiple Unit Franchisee and that Franchisor has granted this Agreement in reliance upon Multiple Unit Franchisee’s individual or collective character, skill, aptitude, attitude, business ability, and financial capacity (or its Principal Owners). Neither this Agreement (or any interest), nor any part or all of Multiple Unit Franchisee’s ownership may be voluntarily, involuntarily, directly or indirectly, assigned, sold, subfranchised, or otherwise transferred by Multiple Unit Franchisee or its Principal Owners without the Franchisor’s prior written consent. Franchisor may impose conditions to any proposed transfer or assignment, including the following:

1. Multiple Unit Franchisee is in complete compliance with the terms of this Agreement and all other agreements between the parties;
2. The proposed transferee has been approved by Franchisor as meeting Franchisor's then-current standards for multiple unit franchisees;
3. The proposed transferee has completed Franchisor's training program;
4. Multiple Unit Franchisee pays Franchisor a transfer fee of One Thousand Dollars (\$1,000); and
5. Multiple Unit Franchisee (and each Principal Owner, if applicable) signs a general release, in form and substance satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates, officers, directors, employees and agents, except to the extent limited or prohibited by applicable law.

Franchisor may expand upon, and provide more details related to, the conditions for transfer and Franchisor's consent as described in this Section 16(B), and may do so in the Operations Manual or otherwise in writing.

Any assignment or transfer without Franchisor's prior written consent constitutes a breach and conveys no rights to or interests in this Agreement to an assignee.

C. Public or Private Offerings.

Subject to Section 16(B) above, if Multiple Unit Franchisee (or any of its Principal Owners) desires to raise or secure funds by the sale of securities (including common or preferred stock, bonds, debentures or general or limited partnership interests) in Multiple Unit Franchisee or any affiliate of Multiple Unit Franchisee, Multiple Unit Franchisee agrees to submit any written information to Franchisor before its inclusion in any registration statement, prospectus or similar offering circular or memorandum and must obtain the written consent of Franchisor to the method of financing before any offering or sale of securities. The written consent of Franchisor will not imply or represent Franchisor's approval respecting the method of financing, the offering literature submitted to Franchisor or any other aspect of the offering. No information respecting Franchisor or any of its affiliates will be included in any securities disclosure document, unless Franchisor furnishes the information in writing in response to Multiple Unit Franchisee's written request, which request will state the specific purposes for which the information is to be used. Should Franchisor, in its discretion, object to any reference to Franchisor or any of its affiliates in the offering literature or a prospectus, the literature or prospectus will not be used unless and until the objections of Franchisor are withdrawn. Franchisor assumes no responsibility for the offering.

The prospectus or other literature utilized in any offering must contain the following language in bold-face type on the first textual page:

“NEITHER BATTERIES PLUS, L.L.C. NOR ANY OF ITS AFFILIATES IS DIRECTLY OR INDIRECTLY THE ISSUER OF THE SECURITIES OFFERED. NEITHER BATTERIES PLUS, L.L.C. NOR ANY OF ITS AFFILIATES ASSUMES ANY RESPONSIBILITY RESPECTING THIS OFFERING AND/OR THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED HEREIN. NETHER BATTERIES PLUS, L.L.C. NOR ANY OF ITS AFFILIATES ENDORSES OR MAKES ANY RECOMMENDATION RESPECTING THE INVESTMENT CONTEMPLATED BY THIS OFFERING.”

D. Multiple Unit Franchisee Assignment Permitted Without Franchisor Consent. Notwithstanding Section 16(B) above, upon fifteen (15) days' prior written notice to Franchisor, Multiple Unit Franchisee (as an individual) may, without first obtaining Franchisor's consent and without the payment of any assignment fee, assign this Agreement to a corporation or limited liability company that conducts no business other than the operation of Stores under franchise agreements granted by Franchisor, provided: (1) Multiple Unit Franchisee actively manages the corporation; (2) Multiple Unit Franchisee owns and controls at least seventy percent (70%) of the shares and voting power of the issued and outstanding capital stock of the corporation or must maintain seventy percent (70%) ownership interest in a limited liability company; (3) Multiple Unit Franchisee and all Principal Owners of the assignee entity sign the Guaranty and Assumption of Obligations agreement attached hereto as Exhibit C; (4) Multiple Unit Franchisee provides Franchisor fifteen (15) days' written notice before the proposed date of assignment of this Agreement to the corporation or limited liability company; (5) Multiple Unit Franchisee provides to Franchisor a certified copy of the articles of incorporation, operation agreement, organizational documents, a list of all shareholders or members having beneficial ownership, reflecting their respective interest in the assignee entity; and (6) the organizational documents and all issued and outstanding stock or membership certificates will bear a legend, in form acceptable to Franchisor, reflecting or referring to the assignment restrictions stated in Section 16(B) above. The assignment does not relieve Multiple Unit Franchisee of obligations under this Agreement, and Multiple Unit Franchisee remains jointly and severally liable for all obligations.

E. Guaranty. All Principal Owners of a Multiple Unit Franchisee which is a corporation, partnership or other entity will sign the Guaranty and Assumption of Obligations agreement in the form attached to this Agreement as Exhibit C. Any person or entity that at any time after the date of this Agreement becomes a Principal Owner of Multiple Unit Franchisee under the provisions of this Section 16 or otherwise will, as a condition of becoming a Principal Owner, sign the Guaranty Agreement. Multiple Unit Franchisee must furnish to Franchisor at any time upon reasonable request a certified copy of the Articles of Incorporation or Articles of Organization and a list, in a form Franchisor reasonably requires, of all shareholders or members of record and all persons having a beneficial interest in any corporation or other entity that is or becomes a Multiple Unit Franchisee.

17. DISPUTE RESOLUTION

A. Mediation. Except as otherwise stated in this Section 17(A), the parties agree to submit any claim, controversy or dispute arising out of or relating to this Agreement (and attachments) or the relationship created by this Agreement to non-binding mediation before bringing such claim, controversy or dispute to arbitration or to a court. The mediation will be conducted either through an individual mediator or a mediator appointed by a mediation services organization, experienced in the mediation of disputes between franchisors and franchisees, agreed upon by the parties. If the parties do not agree upon a mediator or mediation services organization within fifteen (15) days after either party has notified the other of its desire to seek mediation, the dispute will be mediated by the American Arbitration Association pursuant to its rules governing mediation, at Franchisor's corporate headquarters in Hartland, Wisconsin. The costs and expenses of mediation, including compensation of the mediator, will be borne equally by the parties. If the parties cannot resolve the claim, controversy or dispute within ninety (90) days after conferring with the mediator, either party may submit such claim, controversy or dispute to arbitration under Section 17(B) below. Either party may bring an action under the applicable provisions of this Section 17 without first submitting the action to mediation under this Section 17(A): (i) for monies owed, (ii) for injunctive relief, or (iii) involving the possession or disposition of, or other relief relating to, real property.

B. Arbitration. Except to the extent Franchisor elects to enforce the provisions of this Agreement by injunction as provided in Section 17(C) below, all disputes, claims and controversies

between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud in the arbitrability of any matter) that have not been settled by or are not otherwise subject to mediation as described in Section 17(A) above will be resolved by arbitration on an individual basis under the authority of the Federal Arbitration Act in Milwaukee, Wisconsin. Any arbitration proceeding may not be consolidated with any other arbitration proceeding, and Multiple Unit Franchisee agrees not to seek joinder of any of its claims with those of any other party. The arbitrator(s) shall have no authority to select a different hearing locale for the arbitration. The arbitrator(s) will have a minimum of five (5) years' experience in franchising or distribution law and will have the right to award specific performance of this Agreement. The proceedings will be conducted under the Commercial Arbitration Rules of the American Arbitration Association, or the rules of such other arbitration services organization as the parties otherwise may agree upon in writing, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Federal Arbitration Act. The decision of the arbitrator(s) will be final and binding on all parties; provided, however, the arbitrator(s) may not under any circumstances: (i) stay the effectiveness of any pending termination of this Agreement; (ii) assess punitive or exemplary damages; or (iii) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance set by Franchisor. This Section 17 will survive termination or nonrenewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During any arbitration proceeding, Franchisor and Multiple Unit Franchisee will fully perform their respective obligations under this Agreement.

C. Injunctive Relief. Notwithstanding Sections 17(A) and (B) above, Multiple Unit Franchisee recognizes that a single multiple unit franchisee's failure to comply with the terms of its agreement could cause irreparable damage to Franchisor and/or to some or all other Batteries Plus® franchisees and multiple unit franchisees. Therefore, if Multiple Unit Franchisee breaches or threatens to breach any of the terms of this Agreement, Franchisor will be entitled to an injunction restraining such breach and/or a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining such equitable relief, until such time as a final and binding determination is made by the arbitrators.

D. Attorneys' Fees. The nonprevailing party will pay all costs, expenses, and interest, including reasonable attorneys' fees, the prevailing party incurs in any action brought to enforce any provision of this Agreement or to enjoin any violation of this Agreement.

18. ENFORCEMENT

A. Severability. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or non-renewal of this Agreement than is required, or the undertaking of some other action not required, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor is invalid or unenforceable, the prior notice and/or other action required by law or rule will be substituted for the comparable provisions.

B. Waiver of Obligations. Franchisor's waiver of any breach by Multiple Unit Franchisee, or Franchisor's delay or failure to enforce any provision of this Agreement, will not be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce Franchisor's rights respecting that or any other breach.

C. Rights of Parties are Cumulative. The rights of Franchisor and Multiple Unit Franchisee are cumulative and no exercise or enforcement by either party of any right or remedy precludes the exercise

or enforcement by such party of any other right or remedy to which such party is entitled by law or equity to enforce.

D. Venue. Any claims, controversies or disputes arising out of or related to this Agreement that are not subject to arbitration as provided above, will be brought exclusively in the Federal District Court for the Eastern District of Wisconsin or in Waukesha County District Court in Waukesha, Wisconsin. Franchisor also has the right to file any such suit against Multiple Unit Franchisee in the federal or state court where the Store is located. Both parties hereto irrevocably consent to the jurisdiction of such courts. The provisions of this Section 18(D) will survive the termination of this Agreement.

E. Governing Law. Subject to Franchisor's rights under federal trademark laws and the parties' rights under the Federal Arbitration Act respecting Section 17 above, this Agreement will be governed by and construed under the laws of the state in which Multiple Unit Franchisee's principal business office, as identified in the first paragraph to this Agreement, is located, without regard to any conflict of laws principles of such state. Multiple Unit Franchisee waives, to the fullest extent permitted by law, the rights and protections that might be provided through any state franchise or business opportunity laws, other than those of the state in which Multiple Unit Franchisee's principal business office is located.

F. Binding Effect. This Agreement is binding upon the parties and their respective executors, administrators, heirs, assigns, and successors in interest, and will not be modified except by written agreement signed by both Multiple Unit Franchisee and Franchisor. Except as provided above, this Agreement is not intended, and will not be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

G. References. If Multiple Unit Franchisee consists of two or more individuals, such individuals will be jointly and severally liable, and references to Multiple Unit Franchisee in this Agreement will include all such individuals. Reference to Multiple Unit Franchisee as neuter or a male will also include a neuter, male or female Multiple Unit Franchisee as relevant in the context.

H. Interpretation of Rights and Obligations. The following provisions will apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement and the relationship between the parties:

(1) Franchisor's Rights. Whenever this Agreement provides that Franchisor has a certain right, that right is absolute and the parties intend that Franchisor's exercise of that right will not be subject to any limitation or review. Franchisor has the right to operate, administrate, develop and change the System in any manner that is not specifically precluded by the provisions of this Agreement.

(2) Franchisor's Reasonable Business Judgment. Whenever Franchisor reserves discretion in a particular area or where Franchisor agrees or is required to exercise its rights reasonably or in good faith, Franchisor will satisfy its obligations whenever it exercises "reasonable business judgment" in making its decision or exercising its rights. A decision or action by Franchisor will be deemed to be the result of "reasonable business judgment", even if other reasonable or even arguably preferable alternatives are available, if Franchisor's decision or action is intended to promote or benefit the System generally even if the decision or action also promotes a financial or other individual interest of Franchisor. Examples of items that will promote or benefit the System include enhancing the value of the Licensed Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System. Neither Multiple Unit Franchisee nor any third party (including a trier of fact), will substitute its judgment for Franchisor's reasonable business judgment.

I. **WAIVER OF PUNITIVE DAMAGES.** MULTIPLE UNIT FRANCHISEE AND FRANCHISOR AND THEIR AFFILIATES AGREE TO WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO OR A CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF ANY DISPUTE BETWEEN THEM, EACH WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT.

J. *Force Majeure.* If any party fails to perform any obligation under this Agreement due to a cause beyond the control of and without the negligence of such party, such failure will not be deemed a breach of this Agreement, provided such party uses reasonable best efforts to perform such obligations as soon as possible under the circumstances. Such causes include strikes, wars, riots, civil commotion, and acts of government, except as specifically may be provided for elsewhere in this Agreement.

K. Notice of Potential Franchisor Profit. Franchisor advises Multiple Unit Franchisee that Franchisor and/or Franchisor's affiliates periodically may make available to Franchisee goods, products and/or services used or sold in the Store through a supply chain program and that Franchisor and/or its affiliates may profit from this supply chain program. Franchisor further advises Multiple Unit Franchisee that Franchisor and its affiliates periodically may receive consideration from suppliers and manufacturers respecting sales of goods, products or services to Multiple Unit Franchisee or in consideration for services provided or rights licensed to such suppliers and manufacturers. Multiple Unit Franchisee agrees that Franchisor and its affiliates will be entitled to such profits and consideration.

L. Entire Agreement. The "Introduction" section and exhibit(s) to this Agreement are a part of this Agreement, which represents the entire agreement of the parties, and there are no other oral or written understandings or agreements between Franchisor and Multiple Unit Franchisee relating to the subject matter of this Agreement.

M. Effective Date. The effective date of this Agreement is the date designated in the first paragraph; provided, however, that this Agreement will not become effective until the Agreement and all Exhibits (including the Guaranty and Assumption of Obligations) are signed by Franchisor, Multiple Unit Franchisee and Principal Owners, as applicable.

19. INDEMNIFICATION

Franchisor has no liability for any sales, use, excise, income, gross receipts, property, or other taxes levied upon Multiple Unit Franchisee or its assets or upon Franchisor in connection with the business conducted by Multiple Unit Franchisee, or any payments made by Multiple Unit Franchisee to Franchisor under this Agreement or any Franchise Agreement. **Multiple Unit Franchisee agrees to indemnify Franchisor and its subsidiaries, affiliates, stockholders, members, directors, officers, employees, agents and assignees against and to reimburse them for all obligations, damages, and taxes for which they are held liable and for all costs reasonably incurred by them in the defense of any claim brought against them or in any action in which they are named as a party, including reasonable attorneys' fees, interest, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses. Franchisor has the right to defend any claim against it. The indemnities and assumptions of liabilities and obligations continue in full force and effect after the expiration or termination of this Agreement.**

20. ACKNOWLEDGEMENTS

A. Success of Franchised Business. The success of the business venture Multiple Unit Franchisee intends to undertake under this Agreement is speculative and depends, to a large extent, upon

Multiple Unit Franchisee's (or the Principal Owner's) ability as an independent businessman, and Multiple Unit Franchisee's active participation in the daily affairs of the business as well as other factors. Franchisor does not make any representation or warranty, express or implied, as to the potential success of the business venture.

B. Independent Investigation. Multiple Unit Franchisee acknowledges that it has entered into this Agreement after making an independent investigation of Franchisor's operations and not upon any representation as to gross revenues, volume, potential earnings or profits which Multiple Unit Franchisee might be expected to realize, nor has anyone made any other representation, which is not expressly stated herein, to induce Multiple Unit Franchisee to accept this franchise and execute this Agreement.

C. Receipt of Documents. Except for fill in the blank provisions and changes made as a result of negotiations that Multiple Unit Franchisee initiated, Multiple Unit Franchisee acknowledges that it received a copy of the complete Multiple Unit Franchise Agreement, and exhibits attached hereto, at least seven (7) calendar days prior to the date on which this Agreement was executed. Multiple Unit Franchisee further acknowledges that it received the disclosure document required by the trade regulation rule of the Federal Trade Commission entitled "Franchise Disclosure Document" at least fourteen (14) days prior to the date on which this Agreement was executed. Multiple Unit Franchisee represents that he/she has read this Agreement in its entirety and that he/she has been given the opportunity to clarify any provisions that Multiple Unit Franchisee did not understand and to consult with any attorney or other professional advisor. Multiple Unit Franchisee further represents that he/she understands the provisions of this Agreement and agrees to be bound.

D. Other Franchises. Multiple Unit Franchisee acknowledges that other multiple unit franchisees of Franchisor have or will be granted franchises at different times and in different situations, and further acknowledges that the provisions of such franchises may vary substantially from those contained in this Agreement.

21. NOTICES

All written notices and reports permitted or required to be delivered by the provisions of this Agreement will be delivered by hand, sent by a recognized overnight delivery service or by registered U.S. Mail or by other means which provides the sender with evidence of delivery, or of rejected delivery, and addressed to the party to be notified at the address stated herein or at such other address as may have been designated in writing to the other party. Any notice by a means which provides the sender with evidence of delivery, or rejected delivery, will be deemed to have been given at the date and time of receipt or rejected delivery.

The parties have signed this Agreement on the date stated in the first paragraph.

FRANCHISOR:

BATTERIES PLUS, L.L.C.,
a Wisconsin limited liability company

MULTIPLE UNIT FRANCHISEE:

(If Multiple Unit Franchisee is a corporation or
limited liability company)

Name of corporation or limited liability company

By: _____
Title: _____

By: _____
Title: _____

(If Multiple Unit Franchisee is an individual
owner, Multiple Unit Franchisee must sign
below; if a partnership, all partners must sign
below)

Multiple Unit Franchisee

Multiple Unit Franchisee

Multiple Unit Franchisee

Multiple Unit Franchisee

**EXHIBIT A
TO MULTIPLE UNIT FRANCHISE AGREEMENT**

DESIGNATED AREA

This Exhibit is attached to and is an integral part of the Batteries Plus® Multiple Unit Franchise Agreement dated _____, 20____, between Franchisor and Multiple Unit Franchisee.

The development rights and obligations of Multiple Unit Franchisee, _____, to timely develop and open Stores will be within the following described area:

APPROVED:

FRANCHISOR:

BATTERIES PLUS, L.L.C.,
a Wisconsin limited liability company

MULTIPLE UNIT FRANCHISEE:

(If Multiple Unit Franchisee is a corporation or limited liability company)

Name of corporation or limited liability company

By: _____
Title: _____

By: _____
Title: _____

(If Multiple Unit Franchisee is an individual owner, Multiple Unit Franchisee must sign below; if a partnership, all partners must sign below)

Multiple Unit Franchisee

Multiple Unit Franchisee

Multiple Unit Franchisee

Multiple Unit Franchisee

EXHIBIT B
TO MULTIPLE UNIT FRANCHISE AGREEMENT
TERRITORY FEE AND STORE DEVELOPMENT SCHEDULE

This Exhibit is attached to and is an integral part of the Batteries Plus® Multiple Unit Franchise Agreement dated _____, 20____, between Franchisor and Multiple Unit Franchisee.

1. Territory Fee. The total Territory Fee is equal to \$_____.
2. Development Schedule.

Multiple Unit Franchisee agrees to timely open Stores and pay initial franchise fees in compliance with the following development schedule.

Store #	Initial Franchise Fee for each Store	Initial Franchise Fee due at Signing	Initial Franchise Fee due at earlier of delivering complete site report or at least 9 months before date of Store opening	Date of Store Opening	Cumulative Number of Stores to be Opened
	\$44,500	\$44,500*	\$0		
	\$39,000	\$0	\$24,000		
	\$34,000	\$0	\$19,000		
	\$29,000	\$0	\$14,000		

*Includes \$15,000 that is part of the Territory Fee.

APPROVED:

FRANCHISOR:

BATTERIES PLUS, L.L.C.,
a Wisconsin limited liability company

By: _____
Title: _____

MULTIPLE UNIT FRANCHISEE:

(If Multiple Unit Franchisee is a corporation or limited liability company)

Name of corporation or limited liability company

By: _____
Title: _____

(If Multiple Unit Franchisee is an individual owner, Multiple Unit Franchisee must sign below; if a partnership, all partners must sign below)

Multiple Unit Franchisee

Multiple Unit Franchisee

Multiple Unit Franchisee

Multiple Unit Franchisee

EXHIBIT C
TO MULTIPLE UNIT FRANCHISE AGREEMENT
GUARANTY AND ASSUMPTION OF OBLIGATIONS

In consideration of Batteries Plus, L.L.C.'s (the "Franchisor") execution of that certain Multiple Unit Franchise Agreement of even date with _____ ("Multiple Unit Franchisee"), each of the undersigned (a "Guarantor") jointly and severally agree as follows:

A. Guarantors personally and unconditionally guarantee to Franchisor and its successors and assigns that: (i) Guarantors agree to be personally bound by, and personally liable for the breach of, each and every provision in the Multiple Unit Franchise Agreement, any Batteries Plus® franchise agreement between Multiple Unit Franchisee or its affiliate and the Franchisor, or any other agreement between the Multiple Unit Franchisee or its affiliate and the Franchisor, and all amendments thereto (the "Agreements"); (ii) Multiple Unit Franchisee will timely pay Franchisor and its affiliates all monies Multiple Unit Franchisee owes to Franchisor and its affiliated and related entities, including all monies payable by Multiple Unit Franchisee under the Agreements; and (iii) Multiple Unit Franchisee will timely perform all other undertakings, agreements and covenants stated in the Agreements (collectively the "Multiple Unit Franchise Agreement Obligations").

B. Each of the Guarantors waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertaking; (2) notice of demand for payment of any indebtedness; (3) protest and notice of default to any party respecting the indebtedness; (4) any right he/she may have to require that an action be brought against Multiple Unit Franchisee or any other person as a condition of liability.

C. Each Guarantor consents and agrees that:

(1) Guarantor's liability under this undertaking will be direct and independent of the liability of, and will be joint and several with, Multiple Unit Franchisee and the other Guarantors of Multiple Unit Franchisee;

(2) Guarantor will make any payment or perform any obligation required under the Agreements upon demand if Multiple Unit Franchisee fails to do so;

(3) Guarantor's liability hereunder will not be diminished or relieved by bankruptcy, insolvency or reorganization of Multiple Unit Franchisee or any assignee or successor;

(4) Guarantor's liability will not be diminished, relieved or otherwise affected by any extension of time or credit which Franchisor may grant to Multiple Unit Franchisee, including the acceptance of any partial payment or performance, or the compromise or release of any claims;

(5) Franchisor may proceed against Guarantor and Multiple Unit Franchisee jointly and severally, or Franchisor may, at its option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against Multiple Unit Franchisee or any other Guarantor; and

(6) Guarantors will indemnify, defend and hold harmless Franchisor and its affiliates, and their respective shareholders, directors, employees, and agents, against and from all losses, damages, costs, and expenses, which Franchisor or its affiliates may sustain, incur, or become liable for as a result of:

a. Multiple Unit Franchisee's or Guarantor's failure to pay or perform any of the Multiple Unit Franchise Agreement Obligations; or

b. any action by Franchisor to obtain performance by Multiple Unit Franchisee of any act, matter, or thing required by the Agreements.

(7) Guarantor will pay all reasonable attorneys' fees and all costs and other expenses Franchisor incurs in enforcing this Guaranty against Guarantor or any negotiations relative to the obligations hereby guaranteed.

This Guaranty will terminate upon the termination or expiration of all of the Agreements, except that all obligations and liabilities of the Guarantors which arose from events which occurred on or before the effective date of such termination will remain in full force and effect until satisfied or discharged by the Multiple Unit Franchisee or the Guarantors, and all covenants which by their terms continue in force after the expiration or termination of the Agreement will remain in force according to their terms. Upon the death of an individual Guarantor, the estate of such Guarantor will be bound by this Guaranty, but only for defaults and obligations hereunder existing at the time of death; and the obligations of any other Guarantors will continue in full force and effect.

The provisions of Sections 17 and 18 of the Agreement will apply as to any interpretation or enforcement of this Guaranty, and the provisions of Section 21 of the Agreement will apply to any notice to either party, except that notice to Guarantors will be provided as follows: _____ . If no address is provided, any notice to Guarantors will be sent to the address designated in Section 21 of the Agreement.

Each of the undersigned has signed this Guaranty as of the same day and year as the Agreement was executed.

GUARANTOR(S)

PERCENTAGE OWNERSHIP IN
MULTIPLE UNIT FRANCHISEE

EXHIBIT D
TO MULTIPLE UNIT FRANCHISE AGREEMENT
BATTERIES PLUS® FRANCHISE AGREEMENT
(Current Form)

48417966v2

EXHIBIT C
FRANCHISE AGREEMENT

BATTERIES PLUS FRANCHISE AGREEMENT

FRANCHISEE

DATE OF AGREEMENT

Batteries Plus, L.L.C.
STD 2022 FA

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EXHIBITS

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ALTERNATIVE EXHIBIT A

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BATTERIES PLUS® FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“Agreement”) is made and entered into this ____ day of _____, 20 ____, between Batteries Plus, L.L.C., a Wisconsin limited liability company, with a principal place of business at 1325 Walnut Ridge Drive, Hartland, Wisconsin 53029 (“Franchisor”), and _____, a _____ formed and operating under the laws of the State of _____, or _____, an individual, with a principal place of business at _____ (“Franchisee”).

INTRODUCTION

A. Franchisor develops and owns a system (the “System”) relating to the development and operation of retail stores selling batteries, light bulbs and related items, and offering device repair and key fob repair and replacement, and related services for the individual retail and commercial consumer.

B. Franchisor is the owner of the Batteries Plus® trademark, and other trademarks and service marks (the “Licensed Marks”) used in operating the System.

C. Franchisor grants qualified persons the right to develop, own and operate a Batteries Plus® store at a specific location.

D. Franchisee desires to obtain the right to develop and operate a Batteries Plus® store using the System at a specific location.

AGREEMENTS

In consideration of the mutual covenants and agreements stated below, the parties agree as follows:

1. DEFINITIONS

A. “Confidential Information” means the methods, techniques, formats, marketing and promotional techniques and procedures, specifications, information, systems and knowledge of and experience in the operation and franchising of Batteries Plus® stores that Franchisor communicates to Franchisee or that Franchisee otherwise acquires in operating the Store under the System. Confidential Information does not include information, processes or techniques that are generally known to the public, other than through disclosure (whether deliberate or inadvertent) by Franchisee.

B. “Effective Date” means the date designated in the first paragraph of this Agreement; provided, however, that this Agreement will not become effective until the Agreement and all Exhibits (including the Guaranty and Assumption of Obligations) are signed by Franchisor, Franchisee and Principal Owners, as applicable.

C. “Licensed Marks” means the Batteries Plus® trademark and service mark and other trademarks, service marks, domain names, logos and commercial symbols that Franchisor has designated, or may in the future designate, for use in the System.

D. “Net Revenues” means the aggregate amount of all sales of goods and services (including service charges in lieu of gratuity), whether for cash, on credit or otherwise, made or provided at or in connection with the Store, including off-premises sales and monies derived at or away from the Store. The term “Net Revenues” does not include: (1) any federal, state, municipal or other sales, value added or retailer’s excise taxes paid or accrued by Franchisee; and (2) adjustments for net returns on salable goods and discounts allowed to customers on sales. Net Revenues will not be adjusted for uncollected accounts.

For purposes of the Royalty and Service Fee (as defined in Section 9(B) below), the sale is made at the earlier of delivery of the product or service, or receipt of payment.

E. “Principal Owner” means any person or entity who directly or indirectly owns a ten percent (10%) or greater interest in Franchisee. If any corporation or other entity other than a partnership is a Principal Owner, a “Principal Owner” also will mean a shareholder or owner of a ten percent (10%) or greater interest in such corporation or other entity. If a partnership is a Principal Owner, a “Principal Owner” also will mean each general partner of such partnership and, if such general partner is an entity, each owner of a ten percent (10%) or greater interest in such general partner. If Franchisee is one or more individuals, each individual will be deemed a Principal Owner of Franchisee.

F. “Protected Area” means the geographic area identified in Exhibit A.

G. “Store” means the Batteries Plus® store developed and operated under this Agreement which offers a full line of batteries, light bulbs and related products, together with device repair, key fob repair and replacement, and other services, as designated by Franchisor.

H. “System” means the Batteries Plus® system which includes the sale of batteries, light bulbs and related items for the individual retail and commercial consumer under the Licensed Marks, using certain distinctive types of retail facilities, equipment (including the Retail Management System (as defined in Section 4(D) below)), supplies, Confidential Information, business techniques, methods and procedures, and sales promotion programs, as Franchisor periodically may modify and further improve.

2. GRANT OF FRANCHISE

A. Grant Of Franchise, Store Location And Protected Area. Subject to the provisions contained in this Agreement, Franchisor grants Franchisee a franchise (the “Franchise”) to own and operate a Batteries Plus® Store at a site approved by Franchisor and to use the Licensed Marks in operating the Store. The location of the Store and Franchisee’s Protected Area are identified in Exhibit A, or alternatively, Franchisor and Franchisee will complete and sign Alternative Exhibit A, in which Franchisor and Franchisee agree upon a geographic area in which the location of the Store will be established, subject to Franchisor’s written acceptance, at least one hundred and fifty days (150) days before the date the Store is scheduled to open as stated in Exhibit A or Alternative Exhibit A. The designation of the geographic area in Alternative Exhibit A does not confer any territorial rights upon Franchisee, and Franchisor and its affiliates have the right to operate and franchise other Stores within the designated area. Once Franchisor consents to a location for the Store within the geographic area established in Alternative Exhibit A, however, Franchisor and Franchisee will update Exhibit A and identify the Protected Area.

B. Nature of Franchisee’s Protected Area. During the term of this Agreement (as described in Section 3) and subject to Section 2(D) below, if Franchisee is in compliance, Franchisor will not directly operate or franchise another to operate any other full-service Batteries Plus® store within the Protected Area. The license granted to Franchisee under this Agreement is personal in nature, may not be used at any location other than the Store, does not include the right to sell products or services identified by the Licensed Marks at any location other than at the Store, and does not include the right to sell products or services identified by the Licensed Marks through any other channels of distribution, including the Internet (or any other existing or future form of electronic commerce). Franchisee will not open any other Batteries Plus® store in the Protected Area. Franchisee will not have the right to subfranchise or sublicense any of its rights under this Agreement. Franchisee will not use the Store for any purposes other than the operation of a Batteries Plus® store. Franchisee will not conduct any advertising or otherwise solicit potential customers located outside Franchisee’s “Market Area,” unless Franchisee obtains Franchisor’s prior written consent.

For purposes of this Section, the term “Market Area” means the geographic area encompassing a radius of twenty (20) miles from the location of the Store identified in Exhibit A attached hereto.

C. E-Commerce Transactions. In addition to the rights granted to Franchisee under Section 2(B) above, Franchisor agrees to assign to Franchisee, and Franchisee agrees to accept, all rights and obligations (including price) respecting those e-commerce transactions (each a “Qualified E-Commerce Transaction”) in which:

1. An individual or entity (“Customer”) agrees to purchase, and Franchisor agrees to sell to the Customer through Franchisor’s Batteries Plus® website or other System online portal (the “Website”), any batteries, light bulbs and/or related products and accessories (“Products”) or device repair, key fob repair or replacement and/or other services (“Services”) offered on the Website;

2. The Products will be shipped to the Customer from Franchisor’s or an affiliate warehouse or from a designated third party warehouse or, if applicable, the Services will be performed by Franchisor or its affiliate; and

3. The Customer: (a) selects Franchisee’s Store at which the Customer will pick up the Product(s) or selects Franchisee with which the Customer desires to conduct business; or (b) does not select a specific franchisee or store but provides an address to which the Products (or device for which Services are performed) will be shipped which is within Franchisee’s “E-Commerce Territory” (as defined below).

The term “E-Commerce Territory” means, respecting Franchisee, an area surrounding the Store which is the lesser of: (i) a 20 mile radius of the Store location; or (ii) an area encompassing a commercially reasonable estimate of a current population of 250,000. To the extent a proposed Qualified E-Commerce Transaction described in Section 2(C)(3)(b) above falls within the E-Commerce Territory of more than one franchisee, Franchisor will assign such Transaction to the franchisee whose Batteries Plus® store is closest to the address provided by the Customer.

D. Rights Reserved To Franchisor. Franchisor (for itself and its affiliates) retains the right:

1. to itself operate, and to grant other persons the right to operate, Batteries Plus® stores at locations outside the Protected Area (except to the extent Franchisor may be restricted under a separate Batteries Plus® Multiple Unit Franchise Agreement or Franchise Agreement to which Franchisee is a party);

2. to sell the products and services authorized for sale at Batteries Plus® stores under trademarks and service marks other than the Licensed Marks through similar or dissimilar channels of distribution;

3. subject to Franchisee’s limited rights respecting Qualified E-Commerce Transactions as further described in Section 2(C) above, to sell the products and services authorized for sale at Batteries Plus® stores under the Licensed Marks through dissimilar channels of distribution (i.e., other than the operation of full-service retail Batteries Plus® stores), including by electronic means such as the Internet and by websites established by Franchisor, and pursuant to conditions Franchisor deems appropriate within and outside the Protected Area; and

4. to advertise the System on the Internet (or any other existing or future form of electronic commerce) and to create, operate, maintain and modify, or discontinue the use of a website using the Licensed Marks.

3. TERM OF FRANCHISE; RENEWAL RIGHTS

A. Term. The term of this Agreement will be for ten (10) years commencing on the Effective Date.

B. Renewal. Franchisee will have the right to renew the Franchise for the Store for one (1) additional ten (10) year term, provided Franchisee meets the following conditions:

1. Franchisee has given Franchisor written notice at least one hundred eighty (180) days before the end of the term of this Agreement of its intention to renew;

2. Franchisee has complied with all of the material provisions of this Agreement, including the payment of all monetary obligations owed by Franchisee to Franchisor or its affiliates, and has complied with Franchisor's material operating and quality standards and procedures;

3. Franchisee maintains possession of the Store premises and has at its expense made such reasonable capital expenditures necessary to remodel, modernize and redecorate the Store premises and to replace and modernize the supplies, fixtures, signs, and equipment used in Franchisee's business so that Franchisee's business reflects the then-current physical appearance of new Batteries Plus® stores, or is able to secure a new location within the Protected Area which has been accepted by Franchisor (such acceptance not to be unreasonably withheld) and agrees to construct all required improvements to the Store premises and install all required fixtures and equipment in compliance with Franchisor's then-current standards and specifications for new Batteries Plus® stores;

4. Franchisee and its Principal Owners meet all Franchisor's managerial, financial and business standards for new and renewing franchisees;

5. Franchisee (or if Franchisee is an entity, a Principal Owner who has been approved by Franchisor) and the Store manager completes, to Franchisor's satisfaction, any new training and refresher programs as Franchisor may reasonably require. Franchisee is responsible for travel, living and compensation costs of attendees;

6. Franchisee has paid to Franchisor at least thirty (30) days before the term of this Agreement expires: (a) a Renewal Fee of twenty percent (20%) of Franchisor's then-current standard initial franchise fee applicable to new Batteries Plus® franchisees; and (b) the then-current Omni-Channel Program access renewal fee;

7. Franchisee signs the standard Franchise Agreement then being used by Franchisor; provided that Franchisee will be required to pay the Renewal Fee in lieu of the initial franchise fee stated in the then-current Franchise Agreement; and

8. Franchisee and each Principal Owner signs a general release, in form acceptable to Franchisor, of all claims against Franchisor and its affiliates, officers, directors, employees, and agents.

4. DEVELOPMENT AND OPENING OF THE STORE

A. Lease for Store Premises. If Franchisee enters into a lease for the Store premises, Franchisee must provide the proposed lease to Franchisor and receive Franchisor's prior written approval of the proposed lease (which will not be unreasonably withheld) before Franchisee signs it. In addition, Franchisee and the landlord of the Store premises ("Landlord") must sign a "Lease Addendum" in the form attached hereto as Exhibit B.

B. Franchisee's Development of Store. Promptly after Franchisee signs a lease or acquires the premises for the Store, and receives from Franchisor the prototype plans and specifications for the Store, Franchisee will:

1. prepare and submit to Franchisor for approval, which will not be unreasonably withheld, any proposed modifications to Franchisor's basic plans and specifications, which Franchisee may modify only to the extent necessary to comply with applicable ordinances, building codes, permit requirements and lease or deed requirements and restrictions. If Franchisee is required to modify Franchisor's prototype plans and specifications for the Store, Franchisee will engage, at Franchisee's expense, an architect to modify the prototype plans and specifications to comply with such local laws and restrictions;

2. obtain all required building, utility, sign, health, sanitation and business permits and licenses, and any other required permits and licenses;

3. construct all required improvements to the Store premises, purchase and install all required fixtures and equipment and decorate the premises in compliance with the plans and specifications approved by Franchisor and all applicable ordinances, building codes, permit requirements and lease or deed requirements and restrictions;

4. secure, consistent with Franchisor's specifications and standards, a commercial delivery vehicle for use in operating the Store. Each vehicle must comply with Franchisor's then-current standards, including the color schemes and display of the Licensed Marks;

5. acquire, consistent with Franchisor's specifications and standards, an opening inventory of batteries, light bulbs, repair components, and related products required for the Store;

6. establish filing, accounting and inventory control systems complying with Franchisor's requirements; and

7. contract with a qualified, licensed, insured and bonded general contractor to supervise the construction of the Store.

C. Fixtures, Equipment, Furniture And Signs. Franchisee will use in constructing and operating the Store only those types of construction and decorating materials, fixtures, equipment (including computer hardware and software), furniture, and signs that Franchisor has approved for Batteries Plus® stores as meeting its specifications and standards for appearance, function and performance. Franchisee may purchase approved types of construction and decorating materials, fixtures, equipment, furniture and signs from any supplier approved or designated by Franchisor (which may include Franchisor and/or its affiliates). If Franchisee proposes to purchase any material, fixture, equipment, furniture or sign not then approved by Franchisor, or any items from any supplier not then approved by Franchisor, Franchisee must first notify Franchisor in writing and will provide to Franchisor (upon its request) sufficient specifications, photographs, drawings and other information or samples for Franchisor to determine whether the material,

fixture, equipment, furniture or sign complies with Franchisor's specifications and standards, or the supplier meets Franchisor's approved supplier criteria, which determination Franchisor will make and communicate in writing to Franchisee within a reasonable time.

D. Retail Management System. Franchisee will use in the Store the retail store management system, including all existing or future components thereof and associated service, which Franchisor has developed and/or selected for the System (the "Retail Management System"). The Retail Management System developed for use in Franchisee's business includes one or more proprietary software programs developed or customized for Franchisor (the "Proprietary Software"). Franchisee must use the Proprietary Software from Franchisor or its designated third party supplier. The Proprietary Software will remain the confidential property of Franchisor or its third party supplier. Franchisee and Franchisor will enter into Franchisor's standard form computer software access or license agreement attached hereto as Exhibit C (the "Software Access Agreement") in connection with Franchisee's use of software to track various back office aspects of Store operations, including inventory execution, and will enter into Franchisor's standard form computer software license agreement attached hereto as Exhibit D (the "ProSource RMS Software Agreement") in connection with Franchisee's use of the ProSource RMS™ Proprietary Software. Franchisee will pay Franchisor a computer access and Retail Management System development fee and a computer access fee related to Franchisee's use of the Proprietary Software. Franchisee will pay the then-current fee for the Proprietary Software at or before Franchisee opens the Store for business. In addition, Franchisor will charge Franchisee a reasonable monthly fee, in the amount then posted on Franchisor's intranet site, for point-of sale system support Franchisor or its designee provides to Franchisee respecting the Proprietary Software. Franchisor reserves the right to assign its rights, title and interest in the Proprietary Software, the Software Access Agreement or the ProSource RMS Software Agreement to a third party designated by Franchisor or to replace the Proprietary Software. In such event, Franchisee may be required to enter into a separate computer software license agreement specified by Franchisor or the third party supplier of the Proprietary Software. Franchisee must participate in Franchisor's designated Payment Card Industry ("PCI") compliance program and comply with all applicable data security standards. Franchisee also must participate in any other data privacy compliance program Franchisor requires. Franchisee will pay Franchisor or its designated third party supplier the then-current monthly fee and sign Franchisor's or its designated third party supplier's standard form agreement related to Franchisee's participation in Franchisor's designated PCI or data privacy compliance programs. Franchisor also may access financial information and customer data produced by or otherwise located on Franchisee's Retail Management System (collectively, the "Customer Data"). Except as Franchisor otherwise provides under the then-current terms applicable to the Key Accounts Program (as described in Section 10(L) below) and subject to the rights of individual customers, Franchisor and Franchisee each own the Customer Data that is stored on the Retail Management System. Franchisor periodically will establish policies respecting the use of the Customer Data. Franchisee will have at the Store Internet access with a form of high-speed business-class connection as Franchisor requires, along with cellular backup Internet access that meets Franchisor's then-current specifications. Franchisee will use an e-mail address designated by Franchisor for communication with Franchisor. The computer hardware component of the Retail Management System must comply with specifications Franchisor develops and must be configured as a package unit. Franchisor has the right to designate a single source from whom Franchisee must purchase the Retail Management System, any software or hardware components thereof or associated service, and Franchisor or its affiliates may be that single source. Franchisee will be required to use and, at Franchisor's discretion, pay for all future updates, supplements and modifications to the Retail Management System. Franchisee is solely responsible for protecting itself from disruptions, Internet access failures, Internet content failures, and attacks by hackers and other unauthorized intruders and Franchisee waives any and all claims Franchisee may have against Franchisor as the direct or indirect result of such disruptions, failures or attacks.

E. Store Opening. Franchisee will not open the Store for business without Franchisor's prior written approval. Franchisee agrees to complete the development and open the Store for business within the time period stated in Exhibit A or Alternative Exhibit A, whichever Exhibit is applicable.

F. Extension Fee. If Franchisee cannot develop and open the Store within the time period stated in Exhibit A or Alternative Exhibit A, Franchisee may request in writing that Franchisor approve an extension of up to six (6) months within which Franchisee must open the Store. Franchisee must pay Franchisor a non-refundable extension fee of Ten Thousand Dollars (\$10,000) when Franchisee requests the extension regarding the Store. If Franchisor grants an extension pursuant to a request, the extension will be limited to the period permitted by Franchisor not to exceed six (6) months. Franchisee will not receive more than one (1) extension for the Store, whether under this Agreement or any applicable multiple unit franchise agreement.

G. Relocation Of Store. Franchisee will not relocate the Store from the approved site of the Store without Franchisor's prior written consent. If Franchisee relocates the Store under this Section, the "new" franchised location of the Store, including the real estate and building, must comply with all applicable provisions of this Agreement and with Franchisor's then-current specifications and standards for Batteries Plus® stores. If Franchisee must relocate the Store because the Store was destroyed, condemned or otherwise became untenable by fire, flood or other casualty, Franchisee must reopen the Store at the new franchised location in the Protected Area within six (6) months after Franchisee discontinues operation at the existing Store site. Franchisor will not unreasonably withhold its consent to the proposed relocation, provided Franchisor has received at least ninety (90) days' written notice prior to the closing of the Store at the existing franchised location of the Store, Franchisee has obtained a site acceptable to Franchisor, and Franchisee agrees to open the "new" location for the Store within five (5) days after Franchisee closes the Store at the "prior" franchised location and otherwise complies with any other conditions that Franchisor may require. In addition, Franchisee must pay Franchisor a fee of Five Thousand Five Hundred Dollars (\$5,500) for services Franchisor will provide in connection with the relocation of the Store before Franchisor will review a proposed new site for the Store. There is no guarantee that an acceptable location will be available for relocation, and if Franchisee is unable to relocate its Store within the Protected Area and reopen Franchisee's Store within the time periods described in this Section 4(G), this Agreement will terminate.

H. Minimum Store Capital Requirements. Franchisee must: (1) directly invest in the operation of Franchisee's business relating to the Store a minimum of One Hundred Thousand Dollars (\$100,000) in equity (assets belonging to Franchisee or the Principal Owner(s) if Franchisee is a corporate entity); and (2) maintain during the term of this Agreement minimum equity invested in Franchisee's business of Seventy-Five Thousand Dollars (\$75,000) determined according to United States Generally Accepted Accounting Principles (GAAP). For purposes of this Section, the term "equity" means the sum of shareholder/owners capital invested plus (minus) cumulative retained earnings (losses) less cumulative distributions to shareholders/owners, unless Franchisor determines otherwise.

I. Commercial Sales Development Program. Franchisee must, at its expense, participate in Franchisor's then-current commercial sales development program, and attend (and successfully complete) the related training program described in Section 5(B) below. Franchisor retains the right to establish rules under which Franchisee may or will participate in such program.

5. TRAINING AND OPERATING ASSISTANCE

A. Development Of Store. Franchisor will provide Franchisee with prototype drawings and specifications for a Store, reflecting Franchisor's requirements for dimensions, interior design and layout, image, building materials, fixtures, equipment, furniture, signs and decor. Franchisor will provide

Franchisee with reasonable consulting services in connection with the selection and evaluation of the proposed Store site and development of the Store. Franchisee acknowledges that Franchisor's assistance in site location and acceptance of the premises does not represent a representation or guaranty by Franchisor that the location will be a successful location for Franchisee's Batteries Plus® Store.

B. Training. Before the opening of the Store, Franchisor will provide, and any proposed Store manager must attend, an initial training program on the operation of a Store. The initial training program will include both online and classroom phases. If Franchisee (or if Franchisee is an entity, a Principal Owner) will oversee the day-to-day operations of the Store, Franchisee (or if applicable, a Principal Owner) must attend the initial training program and the commercial sales effectiveness training program described below.

The initial training program currently (as of the Effective Date) consists of four (4) phases: (i) a "Pre-Classroom" phase in which Franchisor provides online learning, webinars and guided experiences and occurs approximately thirty (30) days before the classroom training; (ii) a two week "Classroom" phase provided at a time and place Franchisor designates; (iii) a "Pre-Opening" phase that will expand learning experiences in commercial sales, Store opening and Store operations online and in person; and (iv) a "Post-Opening" online phase that will continue for six (6) months following Store opening. The training program includes instruction relating to Store operations, understanding the equipment and product usage, customer service, marketing and sales programs, accountability for sales and marketing, employee scheduling and methods of controlling operating costs. If, during any phase of the initial training program, Franchisor determines that any proposed manager is not qualified to manage the Store, Franchisor will notify Franchisee and Franchisee must select and enroll a substitute manager in the initial training program. If Franchisee is opening its second or subsequent Store and its proposed Store manager meets Franchisor's then-current qualifications, Franchisor may provide such manager with a shorter Store manager training program.

Before the Store opens, Franchisor also will provide, and at least one (1) individual Franchisee identifies ("Repair Technician") must attend and successfully complete, Franchisor's device repair training program that takes place over approximately two (2) days. If this is the Franchisee's first Batteries Plus Bulb® store, two (2) individuals must attend. Within thirty (30) days of store opening, the Repair Technician must train additional staff to be able to provide repairs during all scheduled days and hours of operation.

Following completion of the initial training program and Store opening, the Store manager(s) must continue their commercial sales training by conducting and reporting on certain commercial sales activities as Franchisor requires, participating in one or more telephone conferences and, if Franchisee qualifies, participating in the online commercial sales field training that Franchisor conducts. Franchisor reserves the right to charge Franchisee a commercial sales field training fee: (1) for each additional person desiring to attend such training program; or (2) if Franchisee already owns one Store and desires to send to such training program one or more persons managing the second or any subsequent Store.

After the Store opens, Franchisor will provide training (at times Franchisor determines) to any new Store manager, Repair Technician or other key individuals at Franchisee's expense. Franchisor may require that Franchisee (or a Principal Owner), any manager(s), any assistant manager(s) or any Repair Technicians attend all supplemental and refresher training programs that Franchisor designates, at Franchisee's cost. In addition, Franchisee and Store managers must attend, at Franchisee's expense, the minimum number of national conventions and regional meetings for the System as Franchisor periodically requires. Franchisor may charge Franchisee the national convention fee even if Franchisee fails to attend the national convention.

If Franchisee (if Franchisee is an entity, a Principal Owner) will not be a Store manager overseeing the day-to-day operation of the Store, two (2) Store managers who Franchisor has approved and who have successfully completed the training requirements described above must be on-staff at all times. In addition, Franchisee (if Franchisee is an entity, a Principal Owner) must successfully complete Franchisor's investor training program.

Franchisee is solely responsible for the compensation, travel, lodging and living expenses Franchisee and its employees incur in attending the initial, store manager and/or commercial sales training programs as well as any supplemental or refresher training programs.

C. Opening Assistance. Franchisor will provide Franchisee with the services of one employee of Franchisor for seven (7) days to assist Franchisee in the opening and initial operations of the Store. Franchisor may determine the time at which the employee is available to Franchisee.

D. Operating Assistance. Franchisor will advise Franchisee on operational issues and provide assistance in operating the Store as Franchisor deems appropriate. Operating assistance may include advice regarding the following:

1. additional products and services authorized for sale at Batteries Plus® stores;
2. selecting, purchasing and marketing batteries, light bulbs and related products together with device repair services and key fob repair and replacement, and other approved products, materials, supplies, and services;
3. marketing assistance and sales promotion programs and accountability of employees; and
4. establishing and operating administrative, bookkeeping, accounting, inventory control, sales and general operating procedures for the proper operation of a Batteries Plus® store.

Franchisor will provide such guidance, in its discretion, through Franchisor's Operations Manual bulletins or other written materials, telephone conversations and/or meetings at Franchisor's office or at the Store in conjunction with an inspection of the Store. Franchisor will provide additional assistance for a fee.

E. Operations Manual. Franchisor will provide on loan to Franchisee, during the term of this Agreement, electronic (internet) access to an Operations Manual, which may include the Franchise Administration Manual and Store Manual, and other handbooks, manuals and written materials (collectively, the "Operations Manual") for Batteries Plus® stores. The Operations Manual will contain mandatory and suggested specifications, standards and operating procedures that Franchisor develops for Batteries Plus® stores and information relating to other obligations of Franchisee. Any required specifications, standards and operating procedures exist to protect Franchisor's interests in the System and the Licensed Marks and to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those matters that are reserved to Franchisee. Franchisor may add to, and otherwise modify, the Operations Manual to reflect changes in authorized products and services, and specifications, standards and operating procedures of a Batteries Plus® store. The master copy of the Operations Manual that Franchisor maintains at its principal office or on its website, and makes available to Franchisee by electronic access, will control if there is a dispute involving the contents of the Operations Manual.

6. LICENSED MARKS

A. Ownership And Goodwill Of Licensed Marks. Franchisee acknowledges that Franchisee has no interest in or to the Licensed Marks and that Franchisee's right to use the Licensed Marks is derived solely from this Agreement and is limited to the conduct of business in compliance with this Agreement and all applicable specifications, standards and operating procedures that Franchisor requires during the term of the Franchise. Franchisee agrees that its use of the Licensed Marks and any goodwill established exclusively benefits Franchisor, and that Franchisee receives no interest in any goodwill related to Franchisee's use of the Licensed Marks or the System. Franchisee must not, at any time during the term of this Agreement or after its termination or expiration, contest or assist any other person in contesting the validity or ownership of any of the Licensed Marks.

B. Limitations On Franchisee's Use Of Licensed Marks. Franchisee agrees to use the Licensed Marks as the sole identification of the Store, but Franchisee must identify himself as the independent owner in the manner Franchisor directs. Franchisee must not use any Licensed Mark as part of any corporate or trade name or in any modified form, nor may Franchisee use any Licensed Mark in selling any unauthorized product or service or in any other manner not expressly authorized in writing by Franchisor. Franchisee agrees to display the Licensed Marks prominently and in the manner Franchisor directs on all signs and forms. Subject to Franchisor's rights described in this Agreement, Franchisee agrees to obtain fictitious or assumed name registrations as may be required under applicable law.

C. Restrictions On Internet And Website Use. Franchisor retains the sole right to advertise the System on the Internet and to create, operate, maintain and modify, or discontinue the use of, a website using the Licensed Marks. Franchisee has the right to access Franchisor's website. Except as Franchisor may authorize in writing, however, Franchisee will not: (1) link or frame Franchisor's website; (2) conduct any business or offer to sell or advertise any products or services on the Internet (or any other existing or future form of electronic communication) including e-mail marketing or other digital marketing; (3) create or register any Internet domain name in any connection with Franchisee's franchise; (4) use any e-mail address which Franchisor has not authorized for use in operating the Store; and (5) conduct any activity on "social media" or related social networking websites other than as Franchisor has expressly authorized in writing. Franchisee will not register, as Internet domain names, any of the Licensed Marks now or hereafter owned by Franchisor or any abbreviation, acronym or variation of the Licensed Marks, or any other name that could be deemed confusingly similar.

D. Notification Of Infringements And Claims. Franchisee must notify Franchisor immediately in writing of any apparent infringement of or challenge to Franchisee's use of any Licensed Mark, or any claim by any person of any rights in any Licensed Mark or any similar trade name, trademark or service mark of which Franchisee becomes aware. Franchisee must not communicate with any person other than Franchisor and its counsel regarding any infringement, challenge or claim. Franchisor may take any action it deems appropriate and has the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge or claim relating to any Licensed Mark. Franchisee will sign all documents, provide assistance and take all action as Franchisor may reasonably request to protect and maintain Franchisor's interests in any litigation or other proceeding or to otherwise protect and maintain Franchisor's interests in the Licensed Marks.

E. Litigation. Franchisee will have no obligation to and will not, without Franchisor's prior written consent, defend or enforce any of the Licensed Marks in any court or other proceedings for or against imitation, infringement, any claim of prior use, or for any other allegation. Franchisee will, however, immediately notify Franchisor of any claims or complaints made against Franchisee respecting the Licensed Marks and will, at its expense, cooperate in all respects with Franchisor in any court or other proceedings involving the Licensed Marks. Franchisor will pay the cost and expense of all litigation Franchisor incurs,

including attorneys' fees and interest on costs and expenses, specifically relating to the Licensed Marks. Franchisor and its legal counsel will have the right to control and conduct any litigation relating to the Licensed Marks.

F. Changes. Franchisee cannot make any changes or substitutions to the Licensed Marks unless Franchisor so directs in writing. Franchisor reserves the right, in its discretion, to modify or discontinue use of any Licensed Mark, or to use one or more additional or substitute trademarks or service marks. In such event, Franchisee will, at its expense, comply with such modification or substitution within a reasonable time after notice by Franchisor.

7. CONFIDENTIAL INFORMATION/IMPROVEMENTS

A. Confidential Information. Franchisee acknowledges and agrees that it does not acquire any interest in the Confidential Information, other than the right to use it in developing and operating the Store pursuant to this Agreement, and that the use or duplication of the Confidential Information in any other business constitutes an unfair method of competition. Franchisee acknowledges and agrees that the Confidential Information is proprietary and is disclosed to Franchisee solely on the condition that Franchisee agrees that it: (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement; (3) will not make unauthorized copies of any Confidential Information disclosed in written form; (4) will adopt and implement all reasonable procedures Franchisor directs to prevent unauthorized use or disclosure of the Confidential Information, including restrictions on disclosure to Store employees; and (5) will require all Store managers and other employees and agents with access to Confidential Information to sign a Confidentiality Agreement in a form Franchisor directs or approves. Notwithstanding the foregoing, Franchisor and Franchisee each own the Customer Data as further described in Section 4(D) above.

The restrictions on Franchisee's disclosure and use of the Confidential Information will not apply to disclosure of Confidential Information in judicial or administrative proceedings to the extent Franchisee is legally compelled to disclose this information, if Franchisee uses its best efforts to maintain the confidential treatment of the Confidential Information, and provides Franchisor the opportunity to obtain an appropriate protective order or other assurance satisfactory to Franchisor of confidential treatment for the information required to be so disclosed.

Notwithstanding any other provision of this Agreement, there may be certain, limited circumstances where applicable law allows for the disclosure of certain Confidential Information, as specified in the Manuals.

B. Improvements. Franchisee must fully and promptly disclose to Franchisor, all ideas, concepts, methods, techniques, improvements, additions and Customer Data relating to the development and/or operation of a Batteries Plus® store or the System, or any new trade names, service marks or other commercial symbols, or associated logos relating to the operation of the Store, or any advertising or promotion ideas related to the Store (collectively the "Improvements") conceived or developed by Franchisee and/or its employees during the term of this Agreement. Franchisee agrees that Franchisor has the perpetual right to use and authorize others to use the Improvements without any obligation to Franchisee for royalties or other fees.

C. Trade Secrets. Franchisee understands and agrees that it will come into possession of certain of Franchisor's trade secrets concerning the manner in which Franchisor conducts business including: methods of doing business or business processes; strategic business plans; customer lists and information; marketing and promotional campaigns; and any other materials clearly marked or labeled as

trade secrets. Franchisee agrees that the forgoing information, which may or may not be considered "trade secrets" under prevailing judicial interpretations or statutes, is private, valuable, and constitutes trade secrets belonging to Franchisor. Franchisee agrees that Franchisor derives independent economic value from the foregoing information not being generally known to, and not being readily ascertainable through proper means by another person. Franchisee agrees to take reasonable measures, as Franchisor may describe further in the Operations Manual, to keep such information secret. Upon termination of this Agreement, Franchisee will not use, sell, teach, train, or disseminate in any manner to any other person, firm, corporation, or association any trade secret pertaining to Franchisor's business and/or the manner in which it is conducted.

8. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION

A. Relationship Of The Parties. Franchisor and Franchisee are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venture or employee of the other. Neither party will independently obligate the other to any third parties or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence. Franchisee must conspicuously identify itself at the premises of the Store and in all dealings with customers, lessors, contractors, suppliers, public officials and others as the owner of the Store under a franchise agreement from Franchisor, and must place other notices of independent ownership on signs, forms, stationery, advertising and other materials as Franchisor requires.

B. Franchisee Indemnification Obligations. Franchisee agrees to indemnify and hold Franchisor and its subsidiaries, affiliates, stockholders, members, directors, officers, employees and agents harmless against, and to reimburse them for, any loss, liability or damages arising out of or relating to Franchisee's ownership or operation of the Store, and all reasonable costs of defending any claim brought against any of them or any action in which any of them is named as a party (including reasonable attorneys' fees and interest) unless the loss, liability, damage or cost is solely due to the Franchisor's breach of this Agreement, gross negligence or willful misconduct.

C. Franchisor Indemnification Obligations. Franchisor agrees to indemnify and hold Franchisee and its officers, directors and agents harmless against, and to reimburse them for, any loss, liability or damage solely arising from or relating to Franchisor's breach of this Agreement, gross negligence or willful misconduct, and all reasonable costs of defending any claim brought against it or any action in which it is named as a party (including reasonable attorneys' fees).

D. Limited Liability. Franchisee acknowledges and agrees that no past, present or future director, officer, employee, incorporator, member, partner, stockholder, subsidiary, affiliate, controlling party, entity under common control, ownership or management, vendor, service provider, agent, attorney or representative of Franchisor will have any liability for (i) any of Franchisor's obligations or liabilities relating to or arising from this Agreement, (ii) any claim against Franchisor based on, in respect of, or by reason of, the relationship between Franchisee and Franchisor, or (iii) any claim against Franchisor based on any alleged unlawful act or omission of Franchisor.

E. Survival. The indemnities and assumptions of liabilities and obligations continue in full force and effect after the expiration or termination of this Agreement.

9. FRANCHISE FEES

A. Initial Franchise Fee. Franchisee will pay Franchisor an "Initial Franchise Fee" described on Exhibit A. The Initial Franchise Fee is payable when Franchisee signs this Agreement. The Initial Franchise Fee is fully earned by Franchisor when Franchisor signs this Agreement and is nonrefundable.

B. Royalty And Service Fee. Subject to the following, Franchisee will pay Franchisor a non-refundable “Royalty and Service Fee” in an amount equal to five percent (5%) of Franchisee’s Net Revenues. The Royalty and Service Fee is due and payable on or before the tenth (10th) day of each month based on the Net Revenues for the previous month. If the Store has been in operation for more than seven (7) years (determined as of the Store opening date and whether or not the Store has been relocated), Franchisee will pay a non-refundable monthly Royalty and Service Fee equal to the greater of (1) five percent (5%) of Franchisee’s Net Revenues for the previous month; or (2) Two Thousand Five Hundred Dollars (\$2,500).

C. Electronic Transfer of Funds. Franchisee must sign electronic transfer of funds authorizations and other documents as Franchisor periodically designates to authorize Franchisee’s bank to transfer, either electronically or through some other method of payment designated by Franchisor, directly to Franchisor’s account and to charge Franchisee’s account for all amounts due to Franchisor from Franchisee. Franchisee’s authorization will permit Franchisor to designate the amount to be transferred from Franchisee’s account. Franchisee will maintain a balance in its accounts sufficient to allow Franchisor to collect the amounts owed to it when due. Franchisee will be responsible for any penalties, fines or similar expenses associated with the transfer of funds described herein.

D. Interest On Late Payments. All Royalty and Service Fees, national marketing fees (NMF Fees), and other amounts which Franchisee owes to Franchisor or its affiliates will bear interest after the due date at the lesser of: (1) one-and-one-half percent (1½%) per month; or (2) the maximum contract rate of interest permitted by law in the state in which the Store is located.

E. Application Of Payments. Franchisor has discretion to apply against amounts due to Franchisor or any of its affiliates any payments received from Franchisee or any indebtedness of Franchisor to Franchisee.

F. Withholding Payments Unlawful. Franchisee agrees that it will not withhold payment of any Royalty and Service Fees, NMF Fees or any other amount due Franchisor, and that the alleged non-performance or breach of any of Franchisor’s obligations under the Franchise Agreement or any related agreement does not establish a right at law or in equity to withhold payments due Franchisor for royalty and service fees, NMF Fees or any other amounts due.

G. Tax Indemnification. Franchisee acknowledges and agrees that it is responsible for the payment of all income, capital, gross receipts, sales and other taxes arising out of or related to Franchisee’s operation of the Store and will indemnify Franchisor and reimburse Franchisor for all such taxes that any jurisdiction (federal, state or local) in which the Store is located imposes as a result of Franchisee’s operation of the Store or the license of any of Franchisor’s intangible property in the jurisdiction in which the Store is located. If more than one Batteries Plus® franchisee is located in such jurisdiction, they will share the liability in proportion to their Net Revenues from the franchised business, except in the case of sales taxes and gross receipts taxes, which will be divided in proportion to taxable sales to the franchisees. If applicable, this payment is in addition to the Royalty and Service Fee payments described above.

10. STORE IMAGE AND OPERATING STANDARDS

A. Condition And Appearance Of Store/Rebuilding Of Store. Franchisee agrees to maintain the condition and appearance of the Store, and refurbish and modify its layout, decor and general theme, as Franchisor may require to maintain the condition, appearance, efficient operation, ambience and overall image of Batteries Plus® stores (as Franchisor may modify). Franchisee will replace worn out or obsolete fixtures, equipment, furniture, or signs, repair the interior and exterior of the Store and adjacent parking areas, and periodic clean and redecorate the Store. If at any time in Franchisor’s reasonable judgment, the

general state of repair, appearance or cleanliness of the Store premises (including parking areas) or its fixtures, equipment, furniture or signs does not meet Franchisor's then-current standards, Franchisor will so notify Franchisee, specifying the action to be taken by Franchisee to correct the deficiency. If Franchisee fails, within ten (10) days after receipt of notice, to commence action and continue in good faith and with due diligence, to undertake and complete any required maintenance or refurbishing, Franchisor may (in addition to its rights under Section 16 below) enter the Store premises and correct the deficiencies on Franchisee's behalf, and at Franchisee's expense.

Franchisee will, at its expense, make such reasonable capital expenditures necessary to remodel, modernize and redecorate the Store premises and to replace and modernize the supplies, fixtures, signs, and equipment used in its business so that Franchisee's business reflects the then-current physical appearance of new Batteries Plus® stores. Franchisor may require Franchisee to take such action: (i) as a condition to the transfer of any interest as further described in Section 15(C); (ii) as a condition of renewal; and (iii) otherwise during the term of the Agreement as further described in the Operations Manual. Franchisee acknowledges and agrees that the requirements of this Section 10(A) are both reasonable and necessary to ensure continued public acceptance and patronage of Batteries Plus® stores and to avoid deterioration or obsolescence in connection with the operation of the Store.

If the Store is damaged or destroyed by fire or any other casualty, Franchisee will, within thirty (30) days, initiate repairs or reconstruction, and thereafter in good faith and with due diligence continue (until completion) repairs or reconstruction, to restore the Store premises to its original condition before the casualty. If, in Franchisor's reasonable judgment, the damage or destruction is of a nature or to an extent that Franchisee can repair or reconstruct the premises of the Store consistent with the then-current decor and specifications of a new Batteries Plus® store without incurring substantial additional costs, Franchisor may require Franchisee, by giving written notice, that Franchisee repair or reconstruct the Store premises in compliance with the then-current decor and specifications.

B. Store Alterations. Franchisee cannot alter the premises or appearance of the Store, or make any unapproved replacements of or alterations to the fixtures, equipment, furniture or signs of the Store without Franchisor's prior written approval. Franchisor may, in its discretion and at Franchisee's sole expense, correct any alterations to the Store not previously approved by Franchisor.

C. Restriction On Use Of Premises. Franchisee agrees that it will not, without Franchisor's prior written approval, offer at the Store any products or services not then authorized by Franchisor for Batteries Plus® stores, nor will the Store or the premises which it occupies be used for any purpose other than the operation of a Batteries Plus® store in compliance with this Agreement.

D. Franchisee's Hiring And Training Of Employees. Franchisee will hire all employees of the Store, and be exclusively responsible for the terms of their employment, compensation, scheduling, benefits, disciplining and all other personnel decisions respecting Store employees without any influence or advice from Franchisor. Franchisee will implement a training program for Store employees in compliance with Franchisor's brand standards. Franchisee will maintain at all times a staff of trained employees sufficient to operate the Store in compliance with Franchisor's brand standards.

E. Batteries, Light Bulbs and Related Products, Supplies And Materials. Franchisee agrees that the Store will only offer for sale batteries, light bulbs, phone screens, key fob and other repair components and related products (or categories of products) and services which Franchisor has approved as being suitable for sale and meeting the standards of quality and uniformity for the System and are purchased from suppliers approved by Franchisor (which may include Franchisor and/or its affiliates). Franchisor periodically may modify the lists of approved products (or brands or categories of products) and suppliers, and Franchisee will comply with such modified lists of approved products and suppliers. If

Franchisee proposes to offer for sale any batteries, light bulbs, phone screens, key fob and other repair components or related products or other services which Franchisor has not approved, Franchisee must first notify Franchisor in writing and provide sufficient information, specifications and samples concerning the product (or brand of product) and/or supplier to permit Franchisor to determine whether the product (or brand of product) complies with Franchisor's specifications and standards and/or the supplier meets Franchisor's approved supplier criteria. Franchisor will notify Franchisee within a reasonable time whether or not the proposed product (or brand of product) and/or supplier is approved. Franchisor may develop procedures for the submission of requests for approved products (or brands of products) or suppliers and obligations that approved suppliers must assume (which may be incorporated in a written agreement to be signed by approved suppliers). Franchisor will have the right to charge each proposed supplier a reasonable fee in reviewing a proposed product (or brand of product) or supplier. Franchisor may impose limits on the number of suppliers and/or brands for any batteries, light bulbs, repair components or related products as well as services to be used in the Store. Franchisee agrees that certain products, materials, and other items and supplies may only be available from one source, and Franchisor or its affiliates may be that source. Franchisee must at all times maintain an inventory of batteries, light bulbs, repair components and related products sufficient in quantity and variety to realize the full potential of the Store. FRANCHISOR AND ITS AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, RESPECTING PRODUCTS, EQUIPMENT (INCLUDING ANY REQUIRED RETAIL MANAGEMENT OR OTHER COMPUTER SYSTEMS), SUPPLIES, FIXTURES, FURNISHINGS OR OTHER ITEMS THAT ARE MANUFACTURED OR DISTRIBUTED BY THIRD PARTIES AND THAT FRANCHISOR APPROVES FOR USE IN THE SYSTEM.

Franchisor may conduct market research and testing to determine consumer trends and the market for new batteries, light bulbs, screen repair, key fob and other repair components and related products and services as well as other services and products. Franchisee agrees to participate in Franchisor's market research programs, test market new products and services in the Store and provide Franchisor with timely reports and other relevant information regarding market research. In connection with any test marketing, Franchisee must purchase a reasonable quantity of the tested products and effectively promote and make a reasonable effort to sell those products and/or services.

F. Standards Of Service. Franchisee must at all times give prompt, courteous and efficient service to its customers. Franchisee must, in all dealings with its customers and suppliers and the public, adhere to the highest standards of honesty, integrity and fair dealing.

G. Specifications, Standards And Procedures. Franchisee acknowledges and agrees that each and every detail of the appearance and operation of the Store is important to Franchisor and other Batteries Plus® stores. Franchisee agrees to maintain the highest standards of quality and service in the Store and agrees to comply with all mandatory specifications, standards and operating procedures (whether contained in the Operations Manual or any other written or oral communication to Franchisee) relating to the appearance or operation of a Batteries Plus® store, including:

1. type and quality of batteries, light bulbs, screen repair, key fob and other repair components and related products as well as services offered at the Store;
2. quality and uniformity of service and sales of all batteries, light bulbs, screen repair, key fob and related products as well as services at the Store;
3. methods and procedures relating to marketing, customer service and order processing;

4. the hours and days during which the Store is open for business;
5. the safety, maintenance, cleanliness, function and appearance of the Store premises and its fixtures, equipment, furniture, decor, signs and the commercial delivery vehicle;
6. qualifications, dress, general appearance and demeanor of Store employees;
7. the style, make and/or type of equipment (including computer equipment) used in operating the Store;
8. use and illumination of exterior and interior signs, posters, displays, standard formats and similar items; and
9. Store advertising and promotion.

H. Compliance With Laws And Good Business Practices. Franchisee must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Store and must operate the Store in full compliance with all applicable laws, ordinances and regulations including labor and employment laws. Franchisee must comply with all laws and regulations relating to privacy and data protection, and must comply with any privacy policies or data protection and breach response policies Franchisor periodically may establish. Franchisee must notify Franchisor in writing within five (5) days of the commencement of any action, suit, proceeding or investigation, and of the issuance of any order, injunction, award of decree, by any court, agency, or other governmental instrumentality that may adversely affect the operation or financial condition of Franchisee or the Store. Franchisee must notify Franchisor immediately of any suspected data breach at or in connection with the Store. Franchisee will not conduct any business or advertising practice which injures Franchisor's business, the System or the goodwill associated with the Licensed Marks and other Batteries Plus® stores.

I. Management Of The Store/Conflicting Interests. The Store must at all times be under Franchisee's direct supervision or, if Franchisee is a partnership, corporation or limited liability company, a Principal Owner or an operating manager who Franchisor has approved and who has satisfactorily completed the training program designated by Franchisor. If an operating manager supervises the Store, Franchisee must successfully complete the investor training program and have at least two (2) approved Store managers on-staff at all times who have successfully completed all of Franchisor's training requirements.

Franchisee must at all times faithfully, honestly and diligently perform its obligations and continuously use its best efforts to promote and enhance the business of the Store. The person who is responsible for the day-to-day supervision of the Store (i.e., the Principal Owner or the approved manager) must assume responsibilities on a full-time basis and must not engage in any other business or other activity, directly or indirectly, that requires any significant management responsibility, time commitments, or otherwise may conflict with Franchisee's obligations.

If at any time Franchisee (or, if Franchisee is a partnership, corporation or limited liability company, the Principal Owner) or an approved manager who has satisfactorily completed Franchisor's designated training program is not managing the Store, Franchisor immediately may appoint a manager to maintain Store operations on Franchisee's behalf. Franchisor's appointment of a manager of the Store does not relieve Franchisee of its obligations or constitute a waiver of Franchisor's right to terminate the Franchise under Section 16 below. Franchisor is not liable for any debts, losses, costs or expenses incurred in the operation of the Store or to any creditor of Franchisee for any products, materials, supplies or services

purchased by the Store while it is managed by Franchisor's appointed manager. Franchisor may charge a reasonable fee for management services and cease to provide management services at any time.

J. Insurance. Franchisee agrees to purchase and maintain in force, at its expense, the following insurance:

1. Comprehensive general liability insurance, including products liability, property damage, and personal injury coverage with a combined single limit of at least Two Million Dollars (\$2,000,000) per occurrence and Three Million Dollars (\$3,000,000) annual aggregate.

2. Worker's compensation, employer's liability and other insurance to meet the greater of all applicable statutory requirements or the then-current minimum levels of coverage as Franchisor periodically requires;

3. Commercial property insurance policy, including, at a minimum, fire, vandalism, theft, burglary and extended coverage insurance with primary and excess limits of not less than one hundred percent (100%) replacement value of the franchised facility and fixtures, equipment and inventory;

4. Business interruption/time element coverage in such amounts as Franchisor periodically may require either as a component of or an endorsement to a commercial property insurance policy;

5. Cyber security and data privacy insurance in such amounts as Franchisor periodically may require;

6. Employment practices liability insurance in such amounts as Franchisor periodically may require; and

7. Automobile liability insurance for owned and non-owned business vehicles including personal injury, wrongful death and property damage with coverage of at least One Million Dollars (\$1,000,000) per occurrence.

All insurance policies will: (1) be issued only by an insurance carrier(s) and through an agent meeting Franchisor's then-current minimum standards; (2) will name Franchisor and its affiliates and their respective officers, directors and employees as an additional insured following such format and using such endorsements as Franchisor periodically may direct; (3) contain a waiver of the insurance company's right of subrogation against Franchisor; (4) provide that Franchisor will receive thirty (30) days' prior written notice of a material change in or termination, expiration or cancellation of any policy (or such shorter period as required by the insurance carrier and approved by Franchisor); and (5) as applicable, include primary and non-contributory endorsement or language in form and content as Franchisor periodically requires. To the extent Franchisee obtains a single policy for two (2) or more Batteries Plus® Stores, Franchisor periodically will determine the levels of insurance coverage that Franchisee must obtain and other requirements that Franchisee must satisfy for each Store covered by such policy. Franchisor periodically may, with prior written notice to Franchisee, increase the minimum liability protection requirements, modify policy, endorsement or other requirements, and require different or additional kinds of insurance to reflect inflation or changes in standards of liability. If Franchisee at any time fails to maintain in effect any insurance coverage required by Franchisor, or to furnish satisfactory evidence thereof, Franchisor, at its option, may obtain insurance coverage for Franchisee. Franchisee agrees to promptly sign any applications or other forms or instruments required to obtain any insurance and pay to Franchisor, on demand, any costs and premiums incurred by Franchisor. Franchisee will provide Franchisor with copies of the certificate of

insurance, insurance policy endorsements and other evidence of compliance with these requirements as Franchisor periodically requires within two (2) weeks before Franchisee takes possession and commences development of the Store premises and at such other times as Franchisor may require. In addition, Franchisee will provide to Franchisor with a copy of the certificate of or other evidence of the renewal or extension of each insurance policy. Franchisee's obligation to obtain and maintain these insurance policies in the amounts specified shall not be limited in any way by reason of any insurance that Franchisor may maintain, nor does Franchisee's procurement of required insurance relieve Franchisee of liability under the indemnity obligations described in Section 8(B). Franchisee's insurance procurement obligations under this Section are separate and independent of Franchisee's indemnity obligations. Franchisor does not represent or warrant that any insurance that Franchisee is required to purchase will provide adequate coverage for Franchisee. The requirements of insurance specified in this Agreement are for Franchisor's protection. Franchisee should consult with its own insurance agents, brokers, attorneys and other insurance advisors to determine the level of insurance protection it needs and desires, in addition to the coverage and limits required by Franchisor.

K. Omni-Channel Program. Franchisor has established an "Omni-Channel" program (the "Omni-Channel Program") designed to promote the offer and sale of various batteries, light bulbs and other items, as well as device repair, key fob repair and replacement, and related services, through one or more electronic channels of distribution to Batteries Plus® retail, key account and other business customers. Franchisee will be required to participate in such Program and must comply with the terms of the Omni-Channel Program (or future or successor electronic commerce program(s)) as described in the Operations Manual. Franchisee understands that Franchisor will establish the rules under which Franchisee will participate in the Omni-Channel Program and that Franchisor may terminate, modify or replace the Omni-Channel Program at any time. Franchisee must pay Franchisor an Omni-Channel access fee in the amount of Ten Thousand Dollars (\$10,000) before it opens the Store. In addition, Franchisee must pay Franchisor the then-current fees associated with the Omni-Channel Program. As of the Effective Date, Franchisee must pay a maintenance fee of One Hundred Dollars (\$100) per month. The monthly maintenance fee is due at the same time and the same manner as the Royalty and Service Fee. Franchisor may change or alter the monthly maintenance fee or impose other fees with thirty (30) days' written notice to Franchisee.

L. Key Accounts Program. Franchisor operates, within the Omni-Channel Program, a "Key Accounts Program" designed to address the needs of certain multi-state, multiple location or specialized service customers including group purchasing organizations, insurance providers and other large volume users with customized needs or multiple shipping/service destinations. Franchisee must participate in the Key Accounts Program and comply with the terms of the Program as described in the Operations Manual or as Franchisor otherwise describes in writing. Franchisee understands that Franchisor will establish the rules under which Franchisee will participate, and be compensated for participation, in the Key Accounts Program and that Franchisor may terminate, modify, or replace the Key Accounts Program at any time. Franchisee must pay Franchisor its then-current fees associated with the Key Accounts Program.

M. Participation in Internet Website. Franchisee will participate in a Batteries Plus® website listed on the Internet or other online communications and participate in any Franchisor-controlled intranet system. Franchisor will, at its discretion, determine the content and use of a Batteries Plus® website and intranet system and will establish rules under which franchisees may or will participate. Franchisor will retain all rights relating to the Batteries Plus® website and intranet system and may alter or terminate the website or intranet system upon thirty (30) days' notice to Franchisee. Franchisee's general conduct on the Internet and the Batteries Plus® intranet system, and specifically its use of the Licensed Marks or any advertising on the Internet (including the domain name and any other Licensed Marks Franchisor may develop as a result of participation in the Internet), will be subject to the provisions of this Agreement. Franchisee acknowledges that certain information obtained through its online participation in the website or intranet system is considered Confidential Information (as defined in Section 7 above), including access

codes and identification codes. Franchisee's right to participate in the Batteries Plus® website or intranet system or otherwise use the Licensed Marks or the System on the Internet will terminate when this Agreement expires or terminates.

N. Inventory Management Assistance. Franchisor has developed an inventory management assistance program under which Franchisor offers franchisees assistance with inventory management ("Inventory Planning as a Service Program"). Franchisee (or, if applicable, Franchisee's transferee) must participate in the Inventory Planning as a Service Program during the first twelve (12) months of Store operations following: (1) the date the Store opens; (2) the renewal of this Agreement (if not meeting Franchisor's then-current minimum in-stock requirements); or (3) the transfer of the Franchise, unless waived by Franchisor. Franchisee must pay Franchisor (or Franchisor's affiliate) the then-current fees for such assistance. If Franchisee is in default of the terms of this Agreement, Franchisor may require that Franchisee participate in the Inventory Planning as a Service Program for up to twelve (12) months as a condition for curing the default.

11. MARKETING

A. National Marketing Fund. During the term of this Agreement, Franchisee will pay to Franchisor for deposit in a national marketing fund (the "NMF Fund") a national marketing fee (the "NMF Fee") of up to one percent (1%) of Franchisee's Net Revenues. Franchisor will place all NMF Fees it receives in the NMF Fund and will manage such Fund. Franchisor also will contribute to the NMF Fund for each Batteries Plus® store that it operates in the United States at the same percentage rate as a majority of Batteries Plus® franchisees must pay to the NMF Fund. Disbursements from the NMF Fund will be made for the payment of expenses Franchisor incurs in connection with the general promotion of the Licensed Marks and the System, including: (1) the cost of formulating, developing and implementing advertising, marketing, promotional and public relations campaigns; (2) network marketing; (3) development and operation of the System Omni-Channel Program; (4) digital marketing; (5) marketing research and analytics; and (6) the reasonable costs of administering the NMF Fund, including the cost of employing advertising, public relations and other third party agencies to assist Franchisor; providing promotional brochures and advertising materials to stores and to regional and local advertising cooperatives; accounting expenses; and the actual costs of salaries and fringe benefits paid to Franchisor's employees engaged in administration of the NMF Fund. The NMF Fund is not a trust or escrow account, and Franchisor has no fiduciary obligations regarding the NMF Fund. Franchisor cannot ensure that any individual franchisee will benefit directly or on a pro rata basis from the future placement of any such advertising in its local market. Franchisor may spend in any fiscal year an amount greater or less than the aggregate contributions of Batteries Plus® stores to the NMF Fund in that year. Franchisor may, through the NMF Fund, furnish Franchisee with approved local marketing plans and materials on the same terms and conditions as plans and materials it furnishes to other franchisees. Franchisor will determine the methods of advertising, media employed and scope, contents, terms and conditions of advertising, marketing, promotional and public relations campaigns and programs. Upon written request, Franchisor will provide Franchisee an annual unaudited statement of the receipts and disbursements of the NMF Fund for the most recent calendar year.

B. Digital Marketing Program. Franchisee will participate in and contribute an amount up to the greater of three percent (3%) of the Net Revenues for the Store or the Minimum Store Promotion Requirement (as defined below), as Franchisor designates, to support the cost of a national, regional or local "Digital Marketing Program" (or future forms of electronic marketing). Franchisor will direct how the digital marketing contribution is spent, and Franchisee may be required to pay such amount directly to Franchisor, a regional or local cooperative, or to a supplier. Franchisor also will contribute to the Digital Marketing Program for each Batteries Plus® store that it operates in the United States at the same percentage or other contribution rate as a majority of Batteries Plus® franchisees must contribute to the Digital Marketing Program. To the extent Franchisor directly receives Franchisee contributions respecting the Digital Marketing

Program, Franchisor will establish a separate account and manage such account. Reasonable disbursements from any such account will be made solely to pay expenses Franchisor incurs in connection with digital marketing or future forms of electronic marketing activities respecting the System, including expenses related to marketing and lead generation and future forms of electronic or Internet-based marketing or promotional tools or programs. Any separate account established for the Digital Marketing Program is not a trust or escrow account, and Franchisor has no fiduciary obligations regarding any such account. Franchisor cannot ensure that any individual franchisee will benefit directly or on a pro rata basis from any such activity conducted through the Digital Marketing Program. Franchisor may spend in any fiscal year an amount greater or less than the aggregate contributions of Batteries Plus® stores to such account in that year. Franchisor will determine the strategy, content, implementation and other aspects of the Digital Marketing Program. Upon written request, Franchisor will provide Franchisee an annual unaudited statement of the receipts and disbursements of any separate Digital Marketing program account for the most recent calendar year.

C. Cooperative Advertising. Franchisee will participate in, support and contribute to one or more regional or local cooperative advertising or marketing programs established in an area or region where Franchisee's Store is located as designated by Franchisor. If a cooperative is established, Franchisee must contribute an amount that Franchisor determines or that the Cooperative may determine (with Franchisor's approval), up to a total of the greater of three percent (3%) of Franchisee's Store Net Revenues each calendar year or the Minimum Store Promotion Requirement; provided that Franchisee's obligations each calendar year under this Section 11(C) will be limited such that Franchisee's combined obligations under Sections 11(B) and 11(C) will not exceed the "Minimum Store Promotion Requirement" as described in Section 11(D) below. Franchisor reserves the right to designate regional and local advertising or marketing markets, to establish regional advertising or marketing councils and to establish the bylaws and other rules under which each cooperative will operate.

D. Local Advertising and Store Promotion. To the extent Franchisee's combined contributions respecting the Digital Marketing Program and regional or local cooperative advertising or marketing programs due under Sections 11(B) and 11(C) above during any calendar year are less than the "Minimum Store Promotion Requirement" (as defined below), Franchisee will spend additional amounts during such calendar year on "approved" Store advertising and promotional activities in Franchisee's local geographic area to satisfy the Minimum Store Promotion Requirement. For purposes of this Section, the term "Minimum Store Promotion Requirement" means: (i) during the first calendar year (or portion thereof) following the Store opening date, a pro rata amount of Twenty Thousand Dollars (\$20,000) based upon the number of weeks during the calendar year in which the Store was in operation; and (ii) during the first full and each subsequent calendar year during the term of this Agreement, the greater of four percent (4%) of the Store's Net Revenues (based on Store Net Revenues for the previous calendar year) or Twenty Thousand Dollars (\$20,000). On or before February 15 of each year, Franchisee will provide Franchisor with an accounting of the funds that it has spent to satisfy the Minimum Store Promotion Requirement, including amounts spent on "approved" Store advertising and promotion activities, for the preceding calendar year. If Franchisee fails to satisfy the Minimum Store Promotion Requirement for the calendar year, Franchisee will deposit with Franchisor the difference between the amount of the Minimum Store Promotion Requirement and the amount Franchisee actually spent during the calendar year on qualifying activities described in this Section. Franchisor will deposit that amount in the NMF Fund. For purposes of this Section, Store advertising and marketing activities are "approved" if they are included in Franchisor's designated media plan for the Store and otherwise comply with Section 11(G) below.

E. New Store Marketing Campaign. Franchisee must pay a non-refundable "New Store Marketing Campaign" contribution as described on Exhibit A for local Store opening promotions. Franchisee will be required to pay this contribution to Franchisor and/or certain designated vendors, as Franchisor directs. The New Store Marketing Campaign contribution will be due as Franchisor directs, beginning before Franchisee opens its Store and continuing for a period up to one hundred eighty (180) days following Store

opening. The New Store Marketing Campaign contribution cannot be credited towards the Minimum Store Promotion Requirement.

F. Store Relocation Marketing Campaign. If Franchisee relocates its Store pursuant to Section 4(G), Franchisee must pay a non-refundable “Store Relocation Marketing Campaign” contribution as described on Exhibit A for local Store re-opening promotions. Franchisee will be required to pay this contribution to Franchisor and/or certain designated vendors, as Franchisor directs. The Store Relocation Marketing Campaign contribution will be due as Franchisor directs, beginning at the time Franchisee relocates its Store and continuing for a period up to one hundred eighty (180) days. The Store Relocation Marketing Campaign contribution cannot be credited towards the Minimum Store Promotion Requirement.

G. Approved Advertising, Media Plans and Store Promotion Materials. Franchisor may develop, and make available to Franchisee, local store media planning assistance. If Franchisor does so, Franchisee must use Franchisor’s designated media plan in promoting the Store or otherwise develop, and obtain Franchisor’s advance written approval to, an alternative media/promotion plan. In addition, Franchisee will use only Franchisor-approved advertising and promotional materials in promoting the Store. If Franchisee uses any advertising or promotional materials without Franchisor’s prior written approval, in addition to any separate remedies Franchisor may have, any amounts spent on those materials will not be credited toward Franchisee’s local advertising obligations described in Section 11(B) above.

H. Commercial Sales Assistance. Franchisor has developed a commercial sales assistance program under which Franchisee subcontracts all or part of its commercial sales activities to Franchisor or Franchisor’s affiliate (the “Commercial as a Service Program”). Franchisee (or, if applicable, Franchisee’s transferee) must participate in the Commercial as a Service Program as follows: (1) during the six (6) months of Store operations following the date the Store opens for new Batteries Plus® stores; or (2) during the eight (8) months of Store operations following the date of transfer of the Franchise, unless waived by Franchisor. Franchisee must pay Franchisor (or Franchisor’s affiliate) the then-current fees for such assistance. If Franchisee is in default of the terms of this Agreement, Franchisor may require that Franchisee participate in the Commercial as a Service Program for up to eight (8) months as a condition for curing the default. Franchisee must comply with Franchisor’s then-current standards respecting the Commercial as a Service Program, as described in the Operations Manual or otherwise in writing.

I. Participation in Certain Programs and Promotions. Franchisee will use its best efforts to promote and advertise the Store and will participate in all advertising, marketing and promotional programs, campaigns and initiatives that Franchisor establishes in the manner Franchisor directs. Franchisor may set minimum and maximum prices on all products and services sold at or in connection with the Store, subject to applicable law.

12. RECORDS AND REPORTS

A. Accounting And Records. During the term of this Agreement, Franchisee will, at its expense, maintain at the Store premises and retain for a minimum of three (3) years from the date of their preparation, complete and accurate books, records and accounts (using such methods and systems of bookkeeping and accounting as Franchisor may require) relating to the Store (the “Records”), in the form and manner Franchisor directs in the Operations Manual or otherwise in writing. The Records will include the following: (i) daily cash reports; (ii) cash receipts journal and general ledger; (iii) cash disbursements journal and weekly payroll register; (iv) monthly bank statements and daily deposit slips and canceled checks; (v) all tax returns relating to the Store and of each of the Principal Owners; (vi) suppliers’ invoices (paid and unpaid); (vii) dated cash registered tapes (detailed and summary); (viii) monthly balance sheets and profit and loss statements; (ix) weekly inventories; (x) records of promotion and coupon redemption; and (xi) such other records and information as Franchisor periodically may request. Franchisee shall be

permitted to preserve the Records and submit reports electronically, consistent with Franchisor's requirements.

B. Reports And Tax Returns. Franchisee will deliver or provide access to Franchisor the following: (1) daily statements relating to Net Revenues accompanying Franchisee's payment of monthly Royalty and Service Fees; (2) a monthly balance sheet and profit and loss statement for the Store within fifteen (15) days after the end of each calendar month; (3) within forty-five (45) days after the end of each calendar quarter, a quarterly profit and loss statement for the Store for the immediately preceding calendar quarter and a year-to-date profit and loss statement; (4) within ninety (90) days after the end of each fiscal year, an annual profit and loss statement and source and use of funds statement for the Store for the year and a balance sheet for the Store as of the end of the year, reviewed by an independent certified public accountant; and (5) at Franchisor's request, all tax returns relating to the Store and of each of the Principal Owners. Franchisee also will provide to Franchisor copies of all Records and other information and supporting documents as Franchisor designates. All financial statements, reports and information must be on forms approved by Franchisor and signed and verified by Franchisee.

13. INSPECTION AND AUDITS

A. Franchisor's Right To Inspect The Store. To determine whether Franchisee is complying with this Agreement, Franchisor may, at any time during business hours and without prior notice to Franchisee, inspect the Store. Franchisee will fully cooperate with Franchisor's representatives making any inspection and will permit Franchisor's representatives to take photographs or videotapes of the Store and to interview employees and customers of the Store.

B. Franchisor's Right To Examine Books And Records. Franchisor may, at all reasonable times and without prior notice to Franchisee, examine, audit, or request copies of the Records, including the books, records and state and/or federal income tax records and returns of any Principal Owner. Franchisee must maintain all Records and supporting documents at all times at the Store premises. Franchisee will make financial and other information available at a location Franchisor reasonably request, and will allow Franchisor (and its agents) full and free access to any such information at the Store. Franchisee otherwise will fully cooperate with Franchisor's representative and independent accountants hired to conduct any examination or audit.

C. Result of Audit; Unreported Net Revenues. If any examination or audit discloses an understatement of Net Revenues for any month, Franchisee will pay to Franchisor, within fifteen (15) days after receipt of the examination or audit report, the Royalty and Services Fees, any NMF Fees and any other fees due on the amount of the understatement, plus interest (at the rate provided in Section 9(D) above) from the date originally due until the date of payment. Franchisee must reimburse Franchisor for the cost of the audit or examination, including the charges of any independent accountants and the travel expenses, room and board and compensation of employees of Franchisor, if: (1) an examination or audit is necessary because Franchisee failed to timely provide required information; (2) any examination or audit results in a determination that Net Revenues for any month are understated by greater than two percent (2%); or (3) Franchisee fails to spend the minimum amount required for local store promotion under Section 11(B) above. The foregoing remedies are in addition to all other remedies and rights of Franchisor under applicable law.

14. COVENANTS

A. Non-Solicitation Of Customers. Franchisee covenants that, during the term of this Agreement, and for a period of two (2) years thereafter, Franchisee will not, directly or indirectly divert or

attempt to divert any business, account or customer of the Store or any other Batteries Plus® stores or the System to any competing business.

B. Covenant Not To Compete During Term. Franchisee (and each Principal Owner) will not, during the term of this Agreement, directly or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or corporation, own, operate, lease, franchise, conduct, engage in, be connected with, having any interest in, or assist any person or entity engaged in any business (including any e-commerce or internet-based business) that distributes, sells or otherwise deals in, at wholesale or retail, any battery, light bulb or related products, any device repair, key fob repair or replacement, or other services offered at a Batteries Plus® store, or any other related business that is competitive with or similar to a Batteries Plus® store, except: (i) with Franchisor's prior written consent; or (ii) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of that class of securities.

C. Post-Term Covenant Not To Compete. Franchisee (and each Principal Owner) will not, for a period of two (2) years after this Agreement expires or is terminated or the date on which Franchisee ceases to conduct the business franchised under this Agreement, whichever is later, directly or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or corporation, own, operate, lease, franchise, conduct, engage in, be connected with, having any interest in, or assist any person or entity engaged in any business that distributes, sells or otherwise deals in, at wholesale or retail, any battery, light bulb or related products, any device repair, key fob repair or replacement, or other services offered at a Batteries Plus® store, or any other related business that is competitive with or similar to a Batteries Plus® store that is located at the Store or within a fifteen (15) mile radius of the former site of the Store or any other then existing Batteries Plus® store; provided, however, that this Section 14(C) will not apply to: (i) other stores that Franchisee operates under a franchise agreement with us; or (ii) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of that class of securities. For purposes of this Section, any form of e-commerce business or website that distributes, sells or otherwise deals in, at wholesale or retail, any battery, light bulb or related products or any device repair, key fob repair or replacement, or other services offered at a Batteries Plus® store, or any other related business that is competitive with or similar to a Batteries Plus® store will be in violation of this provision if such e-commerce business or website offers, sells or otherwise makes its products or services available to individuals residing within or businesses located within fifteen (15) mile radius of the former site of the Store or any other then-existing Batteries Plus® store. Franchisee agrees that the length of time in this Section 14(C) will be tolled for any period during which Franchisee is in breach of the covenants or any other period during which Franchisor seeks to enforce this Agreement.

D. Injunctive Relief. Franchisee agrees that damages alone cannot adequately compensate Franchisor if there is a violation of any covenant in this Section in that injunctive relief is essential for the protection of Franchisor. Franchisee therefore agrees that Franchisor may seek injunctive relief without posting any bond or security, in addition the remedies that may be available to Franchisor at equity or law, if Franchisee or anyone acting on Franchisee's behalf violates any covenant in this Section. The covenants stated in this Section will survive the termination or expiration of this Agreement.

15. ASSIGNMENT

A. By The Franchisor. This Agreement is fully assignable by Franchisor and benefits Franchisor's successors and assigns. Any such assignment will require the assignee to fulfill Franchisor's obligations under this Agreement. Franchisor reserves the right to outsource or assign any of its obligations under this Agreement to an affiliate or third party without Franchisee's consent.

B. Franchisee Assignment To Corporation Or Limited Liability Company. Franchisee (as an individual) may assign this Agreement to a corporation or a limited liability company that conducts no business other than the Store (or other Batteries Plus® stores under franchise agreements with Franchisor), provided: (1) the Store is actively managed by Franchisee or an operating manager approved by Franchisor; (2) Franchisee owns at least seventy percent (70%) of the ownership interest in the corporation or limited liability company; (3) Franchisee and all Principal Owners of the assignee entity sign the Guaranty Agreement attached hereto as Exhibit E; (4) Franchisee provides Franchisor fifteen (15) days' written notice before the proposed date of assignment of this Agreement to the corporation or limited liability company; (5) Franchisee provides to Franchisor a certified copy of the articles of incorporation, operation agreement, organizational documents, a list of all shareholders or members having beneficial ownership, reflecting their respective interest in the assignee entity; and (6) the organizational documents and all issued and outstanding stock or membership certificates will bear a legend, in form acceptable to Franchisor, reflecting or referring to the assignment restrictions stated in Section 15(C) below. Franchisee will not pay a transfer fee for an assignment under Section 15(B).

C. Franchisee Assignment Or Sale of Substantially All Of Its Assets. Franchisee understands that Franchisor has granted the Franchise under this Agreement in reliance upon Franchisee's individual or collective character, aptitude, attitude, business ability and financial capacity. Franchisee (and its Principal Owners) will not transfer (whether voluntary or involuntary), assign or otherwise dispose of, in one or more transactions, Franchisee's business, the Store, substantially all or all of the assets of Franchisee's business, this Agreement or any controlling interest in Franchisee ("controlling interest" to include a proposed transfer of fifty percent (50%) or more of the common (voting) stock of a corporate Franchisee or of the ownership interest in a limited liability company or partnership) unless Franchisee obtains Franchisor's prior written consent (except as provided in Section 15(B) above). Franchisor will not unreasonably withhold its consent to an assignment, provided Franchisee complies with any or all of the following conditions which Franchisor may, in its discretion, deem necessary:

1. All of Franchisee's accrued monetary obligations to Franchisor and its affiliates have been satisfied, and Franchisee otherwise is in good standing under this Agreement;
2. The transferee-franchisee (or the managing Principal Owners, if applicable) is approved by Franchisor and demonstrates to Franchisor's satisfaction that he/she meets Franchisor's managerial, financial and business standards for new franchisees, possesses a good business reputation and credit rating, and has the aptitude and ability to conduct the franchised business. Franchisee understands that Franchisor may communicate directly with the transferee-franchisee during the transfer process to respond to inquiries, as well as to ensure that the transferee-franchisee meets Franchisor's qualifications;
3. The transferee-franchisee enters into a written agreement, in form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations and covenants under this Agreement for the remainder of its term or, at Franchisor's option, signs Franchisor's then-current standard form of franchise agreement (which may contain materially different terms and conditions than this Agreement);
4. The transferee-franchisee successfully completes the initial training program required of new franchisees and pays Franchisor the then-current resale training fee;
5. If required, the lessor of the Store premises consents to Franchisee's assignment or sublease of the premises to the transferee-franchisee;

6. Franchisee pays Franchisor an assignment fee equal to fifty percent (50%) of Franchisor's then-current standard initial franchise fee applicable to new Batteries Plus® franchisees and, at Franchisor's request, pays Franchisor a prorated Omni-Channel Program access renewal fee;

7. The transferee-franchisee must pay a "Transfer Store Marketing Campaign" contribution equal to the amount described on Exhibit A. The transferee-franchisee will be required to pay this contribution to Franchisor and/or certain designated vendors, as Franchisor directs. The Transfer Store Marketing Campaign contribution cannot be credited towards the Minimum Store Promotion Requirement.

8. Franchisee (and each Principal Owner, if applicable) signs a general release, in form and substance satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates, officers, directors, employees and agents, except to the extent limited or prohibited by applicable law;

9. Franchisor approves the material provisions of the assignment or sale of assets which assignment or sale cannot permit Franchisee to retain a security interest in this Agreement or any other intangible asset; and

10. Franchisee (and each Principal Owners, if applicable) signs an agreement, in form satisfactory to Franchisor, in which Franchisee and each Principal Owner covenants to observe the post-termination covenant not to compete and all other applicable post-termination obligations.

Franchisor may expand upon, and provide more details related to, the conditions for transfer and Franchisor's consent as described in this Section 15(C), and may do so in the Operations Manual or otherwise in writing.

D. Death Or Disability Of Franchisee. If Franchisee (or the managing Principal Owner) dies or is permanently disabled, Franchisee's executor, administrator or other personal representative, or the remaining Principal Owners, must appoint a competent manager acceptable to Franchisor within a reasonable time, not to exceed thirty (30) days, from the date of death or permanent disability. The appointed manager must satisfactorily complete Franchisor's designated training program. If a Franchisor-approved manager is not appointed within thirty (30) days after Franchisee's death or permanent disability, Franchisor may, but is not required to, immediately appoint a manager to maintain Store operations on Franchisee's behalf until an approved assignee can assume the management and operation of the Store. Franchisor's appointment of a Store manager does not relieve Franchisee of its obligations, and Franchisor will not be liable for any debts, losses, costs or expenses incurred in operating the Store or to any creditor of Franchisee for any products, materials, supplies or services purchased by the Store while it is managed by Franchisor's appointed manager. Franchisor may charge a reasonable fee for management services and may cease to provide management services at any time.

If Franchisee (or the managing Principal Owner) dies or is permanently disabled, Franchisee's executor, administrator, or other personal representative must transfer his interest within a reasonable time, not to exceed twelve (12) months from the date of death or permanent disability, to a person approved by Franchisor. Such transfers, including transfers by devise or inheritance will be subject to conditions contained in Section 15(C) above.

E. Public Or Private Offerings. Subject to Section 15(C) above, if Franchisee (or any of its Principal Owners) desires to raise or secure funds by the sale of securities (including common or preferred stock, bonds, debentures or general or limited partnership interests) in Franchisee or any affiliate of Franchisee, Franchisee agrees to submit any written information to Franchisor before its inclusion in any

registration statement, prospectus or similar offering circular or memorandum and must obtain the written consent of Franchisor to the method of financing before any offering or sale of securities. The written consent of Franchisor will not imply or represent Franchisor's approval respecting the method of financing, the offering literature submitted to Franchisor or any other aspect of the offering. No information respecting Franchisor or any of its affiliates will be included in any securities disclosure document, unless Franchisor furnishes the information in writing in response to Franchisee's written request, which request will state the specific purpose for which the information is to be used. Should Franchisor, in its discretion, object to any reference to Franchisor or any of its affiliates in the offering literature or prospectus, the literature or prospectus will not be used unless and until the objections of Franchisor are withdrawn. Franchisor assumes no responsibility for the offering.

The prospectus or other literature utilized in any offering must contain the following language in boldface type on the first textual page:

“NEITHER BATTERIES PLUS, L.L.C. NOR ANY OF ITS AFFILIATES IS DIRECTLY OR INDIRECTLY THE ISSUER OF THE SECURITIES OFFERED. NEITHER BATTERIES PLUS, L.L.C. NOR ANY OF ITS AFFILIATES ASSUMES ANY RESPONSIBILITY RESPECTING THIS OFFERING AND/OR THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED HEREIN. NEITHER BATTERIES PLUS, L.L.C. NOR ANY OF ITS AFFILIATES ENDORSES OR MAKES ANY RECOMMENDATION RESPECTING THE INVESTMENT CONTEMPLATED BY THIS OFFERING.”

F. Franchisor's Right Of First Refusal. If Franchisee or its Principal Owners at any time desire to sell or assign for consideration the Franchise, the Store, an ownership interest representing (in the aggregate) fifty percent (50%) or more of the ownership in Franchisee or all or substantially all of Franchisee's assets, Franchisee or its Principal Owners must obtain a bona fide, executed written offer from a qualified and fully disclosed purchaser and must deliver a copy of the offer to Franchisor. Franchisor has the right, exercisable by written notice delivered to Franchisee or its Principal Owners within thirty (30) days following receipt of the proposed offer, to purchase the interest in the Store or ownership interest in Franchisee for the price and on terms contained in the offer. Franchisor may substitute cash for any non-cash form of payment proposed in the offer and will have a minimum of sixty (60) days to prepare for closing. If Franchisor does not exercise its right of first refusal, Franchisee or its Principal Owners may complete the sale to the proposed purchaser under the terms of the offer, provided Franchisee and the Principal Owners otherwise comply with this Section 15. If the sale to the proposed purchaser is not completed within one hundred twenty (120) days after delivery of the offer to Franchisor, or if there is a material change in the terms of the sale, Franchisor again has the right of first refusal.

G. Guaranty. All Principal Owners of a Franchisee which is a corporation, partnership or other entity, will sign the Guaranty and Assumption Agreement in the form attached to this Agreement as Exhibit E (the “Guaranty Agreement”). Any person or entity that at any time after the date of this Agreement becomes a Principal Owner of Franchisee under the provisions of this Section 15 or otherwise will, as a condition of becoming a Principal Owner, sign the Guaranty Agreement. Franchisee will furnish to Franchisor at any time upon reasonable request a certified copy of the Articles of Incorporation or Articles of Organization and a list, in a form Franchisor reasonably requires, of all shareholders or members of record and all persons having a beneficial interest in any corporation or other entity that is or becomes a Franchisee.

16. FRANCHISOR'S TERMINATION RIGHTS

A. Termination of Franchise Agreement - Grounds. Franchisee will be in default, and Franchisor may, at its option, terminate this Agreement, as provided herein, if: (1) Franchisee (or the managing Principal Owner) fails to satisfactorily complete the initial training program or fails to open and commence operations of the Store at such time as provided in this Agreement; (2) Franchisee violates any material provision or obligation of this Agreement; (3) Franchisee or any of its managers, directors, officers or any Principal Owner makes a material misrepresentation or omission in the application for the Franchise; (4) Franchisee or any of its managers, directors, officers or any Principal Owner is convicted of, or pleads guilty to or no contest to a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes will injure the System, the Licensed Marks or the goodwill associated therewith, or if Franchisor has proof that Franchisee has committed such a felony, crime or offense; (5) Franchisee fails to conform to the material requirements of the System or the material standards of uniformity and quality for the products and services as described in the Operations Manual or as Franchisor has established in connection with the System; (6) Franchisee fails to timely pay Royalty and Service Fees, Digital Marketing Program contributions or NMF Fees or any other obligations or liabilities due and owing to Franchisor or its affiliates, other Batteries Plus® franchisees or suppliers approved by Franchisor as a source for required items, or fails to timely pay any advertising cooperative obligations; (7) Franchisee is insolvent within the meaning of any applicable state or federal law; (8) Franchisee makes an assignment for the benefit of creditors or enters into any similar arrangement for the disposition of its assets for the benefit of creditors; (9) Franchisee voluntarily or otherwise "abandons" (as defined below) the Store; (10) Franchisee is involved in any act or conduct which materially impairs or otherwise is prejudicial to the goodwill associated with the name "Batteries Plus" or any of the Licensed Marks or the System; (11) Franchisee or a Principal Owner makes an unauthorized assignment or transfer of this Agreement, the Store or an ownership interest in Franchisee; (12) Franchisee develops or uses an unapproved website in connection with the Store or otherwise conducts any unauthorized activity on the Internet in violation of Section 6(C) above; (13) Franchisee's lease for the Store premises expires or is terminated for any reason (unless, through no fault of Franchisee, the lessor of the premises in which the Store is located refuses to renew Franchisee's lease and Franchisee relocates within the Protected Area to a site approved by Franchisor within sixty (60) days thereafter); (14) Franchisee willfully and materially falsifies any report, statement, or other written data furnished to Franchisor either during the franchise application process or after Franchisee is awarded a franchise; or (15) Franchisee is in default under the terms of any promissory note between Franchisee and Franchisor or its affiliates. Any report submitted under Section 12(B) will be conclusively deemed to be materially false if it understates Net Revenues by more than four percent (4%). The term "abandon" means Franchisee's failure to operate the Store during regular business hours for a period of five (5) consecutive days without Franchisor's prior written consent unless such failure is due to an event of "*force majeure*" as further described in Section 20(J) below.

B. Procedure. Except as described below, Franchisee will have thirty (30) days, or such longer period as applicable law may require, after its receipt from Franchisor of a written notice of default within which to remedy any default hereunder, and to provide evidence thereof to Franchisor. If Franchisee fails to correct the alleged default within that time, this Agreement will terminate without further notice to Franchisee effective immediately when the thirty (30) day period, or such longer period as applicable law may require, expires. Franchisee will have ten (10) days after its receipt from Franchisor of a written Notice of Termination, or such longer period as applicable law may require, to remedy any default under item (6) or item (15) in Section 16(A) above and to provide evidence thereof to Franchisor. If Franchisee fails to correct the alleged default within that time, this Agreement will terminate without further notice to Franchisee, effective immediately when the ten (10) day period expires, or such longer period as applicable law may require. Franchisor may terminate this Agreement immediately upon delivery of written notice to Franchisee, with no opportunity to cure, if the termination results from any of the following: (1) Franchisee fails to comply with one or more material requirements of this Agreement on three (3) separate occasions within any twelve (12) month period; (2) the nature of Franchisee's breach makes it not curable; (3) Franchisee willfully and

repeatedly deceives customers relative to the source, nature or quality of goods sold; or (4) any default under items (3), (4), (7), (8), (9), (10), (11), (12), or (14) in Section 16(A) above.

C. Applicable Law. If the provisions of this Section 16 are inconsistent with applicable law, the applicable law will apply.

17. FRANCHISEE'S TERMINATION RIGHTS

Franchisee may terminate this Agreement if Franchisor violates any material obligation of Franchisor to Franchisee and fails to cure such violation within sixty (60) days after Franchisor's receipt of written notice from Franchisee; provided, however, that Franchisee is in substantial compliance with the Agreement at the time of giving such notice of termination. Franchisee's written notice will identify the violation and demand that it be cured.

18. FRANCHISEE OBLIGATIONS UPON TERMINATION

A. Post-Term Duties. If this Agreement expires or is terminated for any reason other than a termination as a result of a breach by Franchisor, Franchisee will:

1. within ten (10) days after termination, pay all amounts due and owing to Franchisor or its affiliates, including all Royalty and Service Fees, Digital Marketing Program contributions, NMF fees, and accrued interest due under this Agreement;

2. discontinue using, and return to Franchisor by first class prepaid United States mail any hard copies of, the Operations Manuals and any other manuals, advertising materials, and all other printed materials relating to the operation of the Franchise;

3. assign to Franchisor or, at Franchisor's discretion, disconnect the telephone number for the Store. Franchisee acknowledges that Franchisor has the sole right to and interest in all telephone numbers and all electronic or other directory listings associated with the Licensed Marks, and Franchisee authorizes Franchisor, and appoints Franchisor as its attorney-in-fact, to direct the telephone company and all listing agencies to transfer such numbers and listings to Franchisor;

4. remove from the Store premises all signs, posters, fixtures, decals, wall coverings and other materials that are distinctive of a Store or bear the name "Batteries Plus" or other Licensed Marks;

5. comply with all post-termination obligations under the Software Access Agreement and the ProSource RMS Software Agreement, including the return of all materials relating to the Proprietary Software;

6. take all necessary action to cancel all fictitious or assumed name or equivalent registrations relating to Franchisee's use of any of the Licensed Marks;

7. immediately cease using Confidential Information in whatever format it may appear and return to Franchisor (or, at Franchisor's option, destroy or electronically delete) all electronic or hard-copy documents in Franchisee's possession that contain Confidential Information; and

8. within ten (10) days after termination, pay Franchisor all future lost Royalty and Service Fees and NMF Fees if this Agreement is terminated due to Franchisee's breach of this Agreement; and

9. comply with all other applicable provisions of this Agreement, including the non-compete provisions.

Upon termination of this Franchise Agreement for any reason, Franchisee's right to use the name "Batteries Plus" and the other Licensed Marks and the System will immediately terminate and Franchisee (and the Principal Owners) will not in any way associate itself/themselves as being associated with Franchisor. If Franchisee fails to remove all signs and other materials bearing the Licensed Marks, Franchisor may do so at Franchisee's expense.

B. Redecoration. If this Agreement is terminated for any reason, and Franchisee either remains in possession of the premises of the former Store to operate a separate business not in violation of Section 14 above or enters into an agreement with a third party to allow such third party to directly operate a business at the premises of the former Store, Franchisee will, at its expense, modify both the exterior and interior appearance of the business premises so that they will be easily distinguished from the standard appearance of Batteries Plus® stores. At a minimum, such changes and modifications to the premises will include: (1) repainting the premises with totally different colors; (2) removing all signs and other materials bearing the name "Batteries Plus" and other Licensed Marks; (3) removing from the premises all fixtures which are indicative of Batteries Plus® stores; (4) discontinuing use of the approved employee uniforms and refraining from using any uniforms which are confusingly similar; (5) discontinuing use of all packaging and Confidential Information regarding the operation of the Store; and (6) taking such other action, at Franchisee's expense, as Franchisor may reasonably require. If Franchisee fails to immediately initiate modifications to the premises of the former Store or completes such modifications with any period of time Franchisor deems appropriate, Franchisee agrees that Franchisor or its designated agents may enter the premises of the former Store to make such modifications, at Franchisee's risk and expense, without responsibility for any actual or consequential damages to Franchisee's property or others, and without liability for trespass or other tort or criminal act.

C. Franchisor Option To Purchase Store. If this Agreement expires or is terminated for any reason (other than the fault of Franchisor), Franchisor has the option, upon thirty (30) days written notice from the date of expiration or termination, to purchase from Franchisee any or all of the tangible and intangible assets relating to the Store (excluding any unsalable inventory, cash, short-term investments and accounts receivable) as Franchisor determines (collectively, the "Purchased Assets") and to an assignment of Franchisee's lease for (1) the Store premises (or, if an assignment is prohibited, a sublease for the full remaining term under the same provisions as Franchisee's lease) and (2) any other tangible leased assets used in operating the Store. Franchisor may assign this option to purchase and assignment of leases separate and apart from the remainder of this Agreement. Batteries are deemed salable only for starting, lighting and ignition batteries and sealed lead acid batteries in salable condition with a manufacturers code not exceeding nine (9) months from date of manufacturer's shipment. For purposes of this Section, Franchisor periodically will establish, and provide to Franchisee in the Operations Manual or otherwise in writing, standards as to other products which are deemed "unsalable inventory."

The purchase price for the Store's assets will be the "Book Value" (as defined below) of the Purchased Assets. "Book Value" means the net book value of the Purchased Assets, as disclosed in the last quarterly statement of the Store provided to Franchisor under Section 12(B) before termination or expiration, provided, however, that: (1) each depreciable asset will be valued on a "straight-line" basis without provision for salvage value; (2) Franchisor may exclude from the Purchased Assets any products or other items that were not acquired in compliance with this Agreement; and (3) Franchisor may exclude from Book Value any provision for goodwill or similar value attributable to intangible property. If Franchisor is not satisfied with the accuracy or fairness of any financial statements, or none has been submitted, Franchisor's regularly employed firm of certified public accountants will determine (by audit)

the Book Value. Franchisor and Franchisee will equally bear the cost of the audit. The results of the audit will be final and binding on both parties.

The purchase price, as determined above, will be paid in cash at the closing of the purchase, which will occur no later than sixty (60) days after Franchisor delivers notice of its election to purchase the Store, unless Book Value is determined by audit, in which case the closing will occur within a reasonable time, not to exceed sixty (60) days, after the results of the audit are made available. At the closing, Franchisee will deliver documents transferring good and merchantable title to the assets purchased, free and clear of all liens, encumbrances and liabilities to Franchisor or its designee and such other documents Franchisor may reasonably request to permit it to operate the Store without interruption. Franchisor may set off against and reduce the purchase price by all amounts Franchisee owes to Franchisor or any of its affiliates. If Franchisor exercises its option to purchase the Store, Franchisor may, pending the closing, appoint a manager to maintain Store operations.

D. Continuing Obligations. All obligations of Franchisor and Franchisee which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect following its expiration or termination and until they are satisfied or expire.

19. DISPUTE RESOLUTION

A. Mediation. Except as otherwise stated in this Section 19(A), the parties agree to submit any claim, controversy or dispute arising out of or relating to this Agreement (and attachments) or the relationship created by this Agreement to non-binding mediation before bringing such claim, controversy or dispute to arbitration or to a court. The mediation will be conducted either through an individual mediator or a mediator appointed by a mediation services organization, experienced in the mediation of disputes between franchisors and franchisees, agreed upon by the parties. If the parties do not agree upon a mediator or mediation services organization within fifteen (15) days after either party has notified the other of its desire to seek mediation, the dispute will be mediated by the American Arbitration Association pursuant to its rules governing mediation, at Franchisor's corporate headquarters in Hartland, Wisconsin. The costs and expenses of mediation, including compensation of the mediator, will be borne equally by the parties. If the parties cannot resolve the claim, controversy or dispute within ninety (90) days after conferring with the mediator, either party may submit such claim, controversy or dispute to arbitration under Section 19(B) below. Either party may bring an action under the applicable provisions of this Section 19 without first submitting the action to mediation under this Section 19(A): (i) for monies owed, (ii) for injunctive relief, or (iii) involving the possession or disposition of, or other relief relating to, real property.

B. Arbitration. Except to the extent Franchisor elects to enforce the provisions of this Agreement by injunction as provided in Section 19(C) below, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud in the arbitrability of any matter) that have not been settled by or are not otherwise subject to mediation as described in Section 19(A) above will be resolved by arbitration on an individual basis under the authority of the Federal Arbitration Act in Milwaukee, Wisconsin. Any arbitration proceeding may not be consolidated with any other arbitration proceeding, and Franchisee agrees not to seek joinder of any of its claims with those of any other party. The arbitrator(s) shall have no authority to select a different hearing locale for the arbitration. The arbitrator(s) will have a minimum of five (5) years' experience in franchising or distribution law and will have the right to award specific performance of this Agreement. The proceedings will be conducted under the Commercial Arbitration Rules of the American Arbitration Association, or the rules of such other arbitration services organization as the parties otherwise may agree upon in writing, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Federal Arbitration Act. The decision of the arbitrator(s) will be final and binding on all parties;

provided, however, the arbitrator(s) may not under any circumstances: (i) stay the effectiveness of any pending termination of this Agreement; (ii) assess punitive or exemplary damages; or (iii) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance set by Franchisor. This Section 19 will survive termination or nonrenewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During any arbitration proceeding, Franchisor and Franchisee will fully perform their respective obligations under this Agreement.

C. Injunctive Relief. Notwithstanding Sections 19(A) and (B) above, Franchisee recognizes that a single franchisee's failure to comply with the terms of its agreement could cause irreparable damage to Franchisor and/or to some or all other Batteries Plus® franchisees. Therefore, if Franchisee breaches or threatens to breach any of the terms of this Agreement, Franchisor will be entitled to an injunction restraining such breach and/or a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining such equitable relief, until such time as a final and binding determination is made by the arbitrators.

D. Attorneys' Fees. The nonprevailing party will pay all costs, expenses and interest, including reasonable attorneys' fees, the prevailing party incurs in any action brought to enforce any provision of this Agreement or to enjoin any violation of this Agreement.

20. ENFORCEMENT

A. Severability. All provisions of this Agreement are severable and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or non-renewal of this Agreement than is required, or the taking of some other action not required, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor is invalid or unenforceable, the prior notice and/or other action required by law or rule will be substituted for the comparable provisions. In addition, Franchisor may unilaterally reduce the scope of any of Franchisee's obligations under this Agreement upon notice to Franchisee.

B. Waiver of Obligations. Franchisor's waiver of any breach by Franchisee, or Franchisor's delay or failure to enforce any provision of this Agreement, will not be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce Franchisor's rights respecting that or any other breach.

C. Rights of Parties are Cumulative. The rights of Franchisor and Franchisee are cumulative and no exercise or enforcement by either party of any right or remedy precludes the exercise or enforcement by such party of any other right or remedy to which such party is entitled by law or equity to enforce.

D. Venue. Any claims, controversies or disputes arising out of or related to this Agreement that are not subject to arbitration as provided above, will be brought exclusively in the Federal District Court for the Eastern District of Wisconsin or in Waukesha County District Court in Waukesha, Wisconsin. Franchisor also has the right to file any such suit against Franchisee in the federal or state court where the Store is located. Each of Franchisor and Franchisee irrevocably consents to the jurisdiction of such courts and waive all rights to challenge personal jurisdiction and venue. The provisions of this Section 20(D) will survive the termination of this Agreement.

E. Governing Law. Subject to Franchisor's rights under federal trademark laws and the parties' rights under the Federal Arbitration Act respecting Section 19 above, this Agreement will be governed by and construed under the laws of the state in which the Store is located, without regard to any conflict of laws principles of such state. Franchisee waives, to the fullest extent permitted by law, the rights and protections that might be provided through any state franchise or business opportunity laws, other than those of the state in which the Store is located.

F. Binding Effect. This Agreement is binding upon the parties and their respective executors, administrators, heirs, assigns, and successors in interest, and will not be modified except by written agreement signed by both Franchisee and Franchisor. Except as provided above, this Agreement is not intended, and will not be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

G. References. If Franchisee consists of two or more individuals, such individuals will be jointly and severally liable, and references to Franchisee in this Agreement will include all such individuals. Reference to Franchisee as neuter or a male will also include a neuter, male or female Franchisee as relevant in the context.

H. Interpretation of Rights and Obligations. The following provisions will apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement and the relationship between the parties:

1. Franchisor's Rights. Whenever this Agreement provides that Franchisor has a certain right, that right is absolute and the parties intend that Franchisor's exercise of that right will not be subject to any limitation or review. Franchisor has the right to operate, administrate, develop and change the System in any manner that is not specifically precluded by the provisions of this Agreement.

2. Franchisor's Reasonable Business Judgment. Whenever Franchisor reserves discretion in a particular area or where Franchisor agrees or is required to exercise its rights reasonably or in good faith, Franchisor will satisfy its obligations whenever it exercises "reasonable business judgment" in making its decision or exercising its rights. A decision or action by Franchisor will be deemed to be the result of "reasonable business judgment," even if other reasonable or even arguably preferable alternatives are available, if Franchisor's decision or action is intended to promote or benefit the System generally even if the decision or action also promotes a financial or other individual interest of Franchisor. Examples of items that will promote or benefit the System include enhancing the value of the Licensed Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System. Neither Franchisee nor any third party (including a trier of fact), will substitute its judgment for Franchisor's reasonable business judgment.

I. WAIVER OF PUNITIVE DAMAGES. FRANCHISEE AND FRANCHISOR AND THEIR AFFILIATES AGREE TO WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO OR A CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF ANY DISPUTE BETWEEN THEM, EACH WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT.

J. RIGHT TO SEEK FUTURE LOST FEES. FRANCHISEE ACKNOWLEDGES AND AGREES THAT FRANCHISOR HAS THE RIGHT TO RECOVER FROM FRANCHISEE AND GUARANTOR(S) ALL FUTURE LOST ROYALTY AND SERVICE FEES AND NMF FEES THROUGH THE ORIGINAL EXPIRATION DATE OF THE AGREEMENT IF THIS

AGREEMENT IS TERMINATED BY FRANCHISOR DUE TO FRANCHISEE'S BREACH OF THIS AGREEMENT.

K. Force Majeure. If any party fails to perform any obligation under this Agreement due to a cause beyond the control of and without the negligence of such party, such failure will not be deemed a breach of this Agreement, provided such party uses reasonable best efforts to perform such obligations as soon as possible under the circumstances. Such causes include strikes, wars, riots, civil commotion, and acts of government, except as may be specifically provided for elsewhere in this Agreement.

L. Notice of Potential Franchisor Profit. Franchisor advises Franchisee that Franchisor and/or Franchisor's affiliates periodically may make available to Franchisee goods, products and/or services used or sold in the Store through a supply chain program and that Franchisor and/or its affiliates may profit from this supply chain program. Franchisor further advises Franchisee that Franchisor and its affiliates periodically may receive consideration from suppliers and manufacturers respecting sales of goods, products or services to Franchisee or in consideration for services provided or rights licensed to such suppliers and manufacturers. Franchisee agrees that Franchisor and its affiliates will be entitled to such profits and consideration.

M. Entire Agreement. The "Introduction" section, the exhibit(s) to this Agreement, and that certain Disclosure Acknowledgment Agreement signed contemporaneously by Franchisee are a part of this Agreement, which represents the entire agreement of the parties, and there are no other oral or written understandings or agreements between Franchisor and Franchisee relating to the subject matter of this Agreement. Nothing in the Agreement is intended to disclaim the representations Franchisor made in the franchise disclosure document that Franchisor furnished to Franchisee.

21. NOTICES

All written notices and reports permitted or required to be delivered by the provisions of this Agreement will be delivered by hand, sent by a recognized overnight delivery service or by registered U.S. Mail, or by other means which provides the sender with evidence of delivery, or of rejected delivery, and addressed to the party to be notified at the address stated herein or at such other address as may have been designated in writing to the other party. Any notice by a means which provides the sender with evidence of delivery, or rejected delivery, will be deemed to have been given at the date and time of receipt or rejected delivery.

22. ACKNOWLEDGEMENTS

A. Success of Franchised Business. The success of the business venture Franchisee intends to undertake under this Agreement is speculative and depends, to a large extent, upon Franchisee's (or the Principal Owner's) ability as an independent businessman, and Franchisee's active participation in the daily affairs of the Store as well as other factors. Franchisor does not make any representation or warranty, express or implied, as to the potential success of the business venture.

B. Independent Investigation. Franchisee acknowledges that he has entered into this Agreement after making an independent investigation of Franchisor's operations and not upon any representation as to gross revenues, volume, potential earnings or profits which Franchisee might be expected to realize, nor has anyone made any other representation, which is not expressly stated herein, to induce Franchisee to accept this Franchise and sign this Agreement.

C. Receipt of Documents. Except for fill in the blank provisions and changes made as a result of negotiations that Franchisee initiated, Franchisee acknowledges that it received a copy of the complete Franchise Agreement, and exhibits attached hereto, at least seven (7) calendar days prior to the date on

which this Agreement was executed. Franchisee further acknowledges that it received the disclosure document required by the trade regulation rule of the Federal Trade Commission entitled “Franchise Disclosure Document” at least fourteen (14) calendar days prior to the date on which this Agreement was executed. Franchisee represents that he/she has read this Agreement in its entirety and that he/she has been given the opportunity to clarify any provisions that Franchisee did not understand and to consult with any attorney or other professional advisor. Franchisee further represents that he/she understands the provisions of this Agreement and agrees to be bound.

D. Other Franchises. Franchisee acknowledges that other franchisees of Franchisor have or will be granted franchises at different times and in different situations, and further acknowledges that the provisions of such franchises may vary substantially from those contained in this Agreement.

The parties have signed this Agreement on the date stated in the first paragraph.

FRANCHISOR:

BATTERIES PLUS, L.L.C.,

a Wisconsin limited liability company

FRANCHISEE:

(If Franchisee is a corporation or limited liability company)

Name of corporation or limited liability company

By: _____
Title: _____

By: _____
Title: _____

(If Franchisee is an individual owner, Franchisee must sign below; if a partnership, all partners must sign below)

Franchisee

Franchisee

Franchisee

Franchisee

**EXHIBIT A
TO FRANCHISE AGREEMENT**

STORE LOCATION, PROTECTED AREA, INITIAL FRANCHISE FEE, AND MARKETING CAMPAIGN

This Exhibit is attached to and is an integral part of the Batteries Plus® Franchise Agreement dated _____, 20__ (the “Franchise Agreement”), between Franchisor and Franchisee.

1. Store Location. Franchisor and Franchisee agree that the Store will be located at the following premises: _____ . Franchisee acknowledges that Franchisor’s acceptance of a proposed location does not represent a warranty or representation of any kind as to the suitability of the proposed location for a Batteries Plus® store.

2. Protected Area. The Protected Area will be (check one):
 - A. ____A radius of three (3) miles from the location of the Store; or

 - B. ____The geographic area described on the attachment to this Exhibit A that will have a residential population of 150,000 people.

3. Store Opening. Franchisee agrees to complete the development and open the Store for business within _____ months after the date first stated above.

4. Initial Franchise Fee. The Initial Franchise Fee is \$ _____ .

5. Marketing Campaign Fees.
 - A. The New Store Marketing Campaign contribution is \$ _____ .
 - B. If you relocate your Store inside your trade area, as Franchisor determines, the Store Relocation Marketing Campaign contribution is \$ _____. If you relocate your Store outside your trade area, as Franchisor determines, the Store Relocation Marketing Campaign contribution is \$ _____ .
 - C. The Transfer Store Marketing Campaign contribution is \$ _____ .

6. Defined Terms. All capitalized terms contained in this Exhibit and not defined in this Exhibit will have the same meaning as provided in the Franchise Agreement.

FRANCHISOR:

BATTERIES PLUS, L.L.C.,
a Wisconsin limited liability company

By: _____
Title: _____

FRANCHISEE:

(If Franchisee is a corporation or limited liability company)

Name of corporation or limited liability company

By: _____
Title: _____

(If Franchisee is an individual owner, Franchisee must sign below; if a partnership, all partners must sign below)

Franchisee

Franchisee

A-1

**ALTERNATIVE EXHIBIT A TO FRANCHISE AGREEMENT
STORE LOCATION (ALTERNATIVE)**

This Exhibit is attached to and is an integral part of the Batteries Plus® Franchise Agreement dated _____, 20__ (the “Franchise Agreement”), between Franchisor and Franchisee.

1. Area For Store Location. At least one hundred and fifty days (150) days before the date the Store is scheduled to open, as stated in Section 2 of this Alternative Exhibit A, Franchisee will select and obtain Franchisor’s acceptance of a location with the provisions of this Exhibit within the following described geographical area (the “Area”):

2. Acceptance of Location and Store Opening. To obtain Franchisor’s acceptance of the proposed Store premises, Franchisee must deliver to Franchisor a complete site report (containing information Franchisor requires) for the location at which Franchisee proposes to establish and operate the Store and which Franchisee reasonably believes will satisfy the standardized site selection criteria established by Franchisor. The proposed location is subject to Franchisor’s prior written acceptance, which will not be unreasonably withheld. In evaluating the proposed location, Franchisor will consider matters it deems material, including demographic characteristics of the proposed location, traffic patterns, parking, the predominant character of the neighborhood, the proximity to other businesses, including other Batteries Plus® stores, and other commercial characteristics, the purchase price or rental obligations and other lease terms for the proposed location, and the size of premises, appearance and other physical characteristics. Within thirty (30) days following Franchisor’s receipt of the complete site report and other materials Franchisor requests, Franchisor will accept or reject (in writing) the location proposed by Franchisee for the Store. **FRANCHISEE ACKNOWLEDGES AND AGREES THAT FRANCHISOR’S ACCEPTANCE OF A PROPOSED LOCATION DOES NOT REPRESENT A WARRANTY OR REPRESENTATION OF ANY KIND, EXPRESSED OR IMPLIED, AS TO THE SUITABILITY OF THE PROPOSED LOCATION FOR A BATTERIES PLUS STORE.** Franchisee agrees to complete the development and open the Store for business by _____.

3. Termination of Franchise Agreement. Franchisor has the right to terminate the Franchise Agreement, effective upon delivery of notice of termination to Franchisee, if Franchisee fails to obtain approval of a location for the Store at least one hundred and fifty days (150) days before the date the Store is scheduled to open as stated in Section 2 of this Alternative Exhibit A.

4. Defined Terms. All capitalized terms contained in this Exhibit and not defined in this Exhibit will have the same meaning as provided in the Franchise Agreement.

FRANCHISOR:
BATTERIES PLUS, L.L.C.,
a Wisconsin limited liability company

FRANCHISEE:
(If Franchisee is a corporation or limited liability company)

Name of corporation or limited liability company

By: _____
Title: _____

By: _____
Title: _____

(If Franchisee is an individual owner, Franchisee must sign below; if a partnership, all partners must sign below)

Franchisee

Franchisee

Franchisee

**EXHIBIT B
TO FRANCHISE AGREEMENT
STORE LEASE ADDENDUM**

LEASE ADDENDUM

This Lease Addendum is entered into as of the date of the Lease Agreement by and between _____, Landlord and _____, Tenant.

Landlord and Tenant are parties to that certain Lease of even date (the Lease) covering the premises located at _____, which Tenant will use to operate a Batteries Plus® store under a Franchise Agreement between Tenant and Batteries Plus, LLC (Franchisor). Landlord and Tenant desire to amend the Lease to protect the various interests of Franchisor.

In consideration of the foregoing and the promises contained in the Lease, the parties agree as follows:

1. Permitted Use. Landlord and Tenant agree that so long as the Franchise Agreement remains in effect, Tenant may use the Lease premises only for a Batteries Plus® store and Tenant may offer for sale and sell at the premises only those batteries, light bulbs and related products, together with those services, which Franchisor approves.

2. Notice of Default. Landlord will provide Franchisor, by certified US mail or a recognized overnight delivery service at the address provided in Section 9 below, a minimum 30 day notice of any default under the Lease before Landlord initiates any action to terminate the Lease or exercise any remedy for such default.

3. Cure. Either Tenant or Franchisor may cure defaults under the Lease and Landlord will accept performance of obligations due under the Lease, as specified in the Lease, by either Franchisor or Tenant. Franchisor will not, however, be under any obligation to cure any default and nothing herein will require Franchisor at any time to comply with or take any action under the provisions of the Lease.

4. Rights of Franchisor After Cure. If Franchisor commences cure of any default under the Lease within the 30 day notice period described in Section 2 above, and if Franchisor thereafter diligently completes cure, Franchisor may, but will not be obligated to, give notice to Landlord and become Tenant under the Lease, in which event Landlord will not be entitled to terminate the Lease.

5. Assignment and Renewal. Landlord consents to an assignment or transfer of Tenant's rights under the Lease to Franchisor at any time during the term of the Lease; provided that such assignment or transfer is subject to Franchisor's written agreement to accept such assignment or transfer. Landlord will give Franchisor notice of expiration of the term of the Lease at least three months in advance thereof and grant Franchisor the right, but not the obligation, to exercise any then-existing renewal rights under the Lease.

6. Permitted Assignments by the Franchisor. If Franchisor becomes the Tenant under the rights described in Section 5 above, the following language will amend and be superior to any assignment and subletting language stated in the Lease:

Tenant will not be required to obtain Landlord's consent to assign this Lease to: (a) the parent or majority-owned subsidiary or affiliate of Tenant; (b) a person or entity having substantially the same net worth as the Tenant at the time of Transfer (collectively, a "Permitted Assignment") or (c) any entity resulting from a (i) merger, (ii) consolidation, (iii) initial public offering, or (iv) sale of the Tenant's assets. If there is a Permitted Assignment as described herein,

Tenant's obligations under the Lease will terminate as of the effective date of the Permitted Assignment.

7. Right of Entry and Subordination. Landlord will give Franchisor access to the Store at reasonable times on not less than 24 hours' notice (or such shorter notice as may be reasonable when circumstances dictate) either to inspect the Store for compliance with Franchisor's requirements, to remove from the Store any items bearing Franchisor's marks or logos or to take other action permissible under the Agreements between Tenant and Franchisor. Landlord specifically subordinates any lien it may have in such items to Franchisor's rights as licensor of the marks or logos displayed on items.

8. Vacating Premises. Upon vacating the Lease premises, or termination of the Franchise Agreement or Lease (whichever occurs first), Tenant must remove all signs and materials bearing any of the marks or logos.

9. Notices. Any notices to Franchisor hereunder will be sent to:

Batteries Plus, LLC
Corporate Offices
1325 Walnut Ridge Drive
Hartland, WI 53029

10. Benefit. Landlord and Tenant acknowledge that they enter into this Agreement for the express benefit of Franchisor and that Franchisor is an intended beneficiary hereof.

11. Supremacy. This Addendum shall control and supersede any inconsistent provision of the Lease.

The parties have signed this Agreement the day and year first above written.

LANDLORD:

TENANT:

By: _____
Title: _____

By: _____
Title: _____

**EXHIBIT C
TO FRANCHISE AGREEMENT
SOFTWARE ACCESS AGREEMENT**

**BATTERIES PLUS
SOFTWARE ACCESS AGREEMENT**

(For New Franchised Businesses)

THIS SOFTWARE ACCESS AGREEMENT (this “Agreement”), between Batteries Plus LLC (the “Company”), and the Batteries Plus® Licensee listed at the end of this Agreement (“Licensee”), is effective as of _____, 20__ (the “Effective Date”).

BACKGROUND

A. The Company and Licensee have entered into a Franchise Agreement (the “Franchise Agreement”) under which Licensee will operate a Batteries Plus® franchised business at a designated site (the “Franchised Business”). Under the Franchise Agreement, Licensee must use the software designated by the Company in operating the Franchised Business.

B. The Company has licensed software for use in back-office computers for tracking, analyzing and reporting sales, inventory and other operational information, customized for use in the Franchised Business (the “Back Office Software”). The Company also has developed other customized or proprietary software, including proprietary software that allows Batteries Plus® franchisees to more fully participate in the Company’s “Omni-Channel Program” (the “Omni-Channel Software”). The Back Office Software, Omni-Channel Software and other customized or proprietary software provided to Licensee are collectively referred to as the “Software.”

C. The Company has contracted with a third-party cloud hosting service to host the Software on a wide-area network in a data center environment that offers security, high-availability and back-up services (the “Hosting Service”). Licensee desires to access the Software through the Hosting Service for Licensee’s Franchised Business.

AGREEMENT

In consideration of the foregoing and the agreements stated below, the parties agree as follows:

1. ACCESS TO SOFTWARE

The Company grants to Licensee a non-transferable and non-exclusive right to access the Software through the Hosting Service for use solely in connection with the operation and management of the Franchised Business.

2. RESTRICTIONS ON USE

A. General. Licensee may use the Software only as permitted under the terms of this Agreement. Licensee cannot use the Software for any other use, including copying or reproduction; processing of data arising other than from the internal operations of the Franchised Business; disassembling, reverse engineering, or accessing the source code of the Software; publication or disclosure; license, sublicense or re-license; alteration; or unauthorized assignment or transfer. Licensee will use its best efforts to protect the Software at all times from any unauthorized use.

B. Additional Restrictions. NCR Corporation (the “Software Licensor”) has entered into an agreement with the Company to use and sublicense the use of the Software (the “Back Office Software Agreement”) only on the condition that the Company and its permitted assigns, including Licensee, agree

to comply with each of the provisions described in Exhibit C-1 attached hereto (the “Licensee’s Additional Obligations”). Licensee agrees to fully comply with each of the provisions of this Agreement, including Licensee’s Additional Obligations, and understands that Licensee’s violation of any of such provisions may jeopardize the Company’s and other licensees’ use of the Software, in addition to the possible termination of Licensee’s rights under this Agreement.

C. Multiple Locations. This Agreement applies only to one Franchised Business location. If Licensee operates more than one Franchised Business, Licensee and the Company must enter into a separate Agreement for each Franchised Business location.

3. HOSTING SERVICE

A. Connectivity. Licensee must provide business-class Internet-based Wide Area Network (WAN) connectivity from Licensee’s site with sufficient bandwidth to meet Licensee’s use demands. Licensee must also provide cellular Internet backup that meets Licensor’s then-current specifications. Licensee must use the current version of Microsoft Internet Explorer or other compatible browser configuration specified by the Company. Licensee will comply with the Company’s minimum hardware and software requirements, as disclosed and periodically updated in the Company’s confidential franchise operations manuals (the “Operations Manual”).

B. Uptime. The Hosting Service will provide Licensee access over the Internet to the Software. The Company’s agreement with the Hosting Service provides for availability of the Hosting Service’s network and servers 100% of each calendar month, excluding periods of scheduled maintenance, emergency maintenance, scheduled Software updates, and unavailability due to the Company or Licensee hardware, software or connectivity problems. Neither the Hosting Service, the Company, nor the Software Licensor is responsible for loss of access to the Software for reasons that are beyond their reasonable control. It is necessary that maintenance of the system be undertaken and upgrades made to the Software from time to time. Reasonable commercial efforts will be used to conduct maintenance and upgrades on a scheduled basis.

C. Security. Licensee will administer the distribution and assignment of logon identities and passwords for each user in Licensee’s organization. Licensee is responsible for keeping and maintaining the security of the passwords. Licensee must comply with all then-current PCI requirements concerning payment card processing. The Company will not be responsible for unauthorized access to Licensee’s data that results from Licensee’s failure to keep secure the assigned passwords.

D. Backup. All Licensee data will be backed up on a daily basis. The Hosting Service will maintain a copy of data for a reasonable period of time, not to exceed one (1) month. Neither the Company nor the Hosting Service will be liable for lost data, materials or information.

4. PAYMENT

A. Initial Development Fee. As further described in the Franchise Agreement, Licensee will pay to the Company a computer access and retail management system development fee on or before the date Licensee commences operation of the Franchised Business.

B. Monthly Support Fee. Licensee will pay the Company a monthly software support fee (the “Support Fee”) for the support and maintenance services described herein and for accessing the Software. The current monthly Support Fee is Four Hundred Twenty-Three Dollars (\$423). The Support Fee is calculated on a monthly basis and will be invoiced to Licensee monthly in advance. Payment is due within thirty (30) days of the invoice date. Upon execution of this Agreement, the Company will invoice Licensee

for the monthly Support Fee due for the initial period beginning upon the Effective Date. Licensee is responsible for any sales, excise, use or value-added taxes applicable to the Software or this Agreement. The Company reserves the right to periodically increase the Support Fee by a reasonable amount to reflect the Company's increased costs of providing services (including those provided by third parties) and Software access under this Agreement.

5. SUPPORT AND MAINTENANCE

A. Company Support Services. The Company will provide the following maintenance services (directly or through the Software Licensor and/or hosting company) to Licensee during the term of this Agreement: at a minimum, help desk support from 7 a.m. to 7 p.m. central time, Monday-Friday, excluding holidays, to answer questions related to functionality of the Software; correcting identifiable and reproducible program errors in the Software; and providing major upgrades of the Software that are made generally available by the Software Licensor. The Company may (and currently does) provide support for additional hours and on weekend days. Help desk services are not a substitute for training or consulting services. Training documentation is provided for Licensee to train its own employees. Training classes will also be offered for additional fees.

B. Omni-Channel Software Updates. The Company may, in its sole discretion, periodically release updates, modifications and enhancements respecting the Omni-Channel Software. Licensee will install any fixes, updates, modifications or enhancements which the Company designates as mandatory. The Company may charge a reasonable fee for its services, including any services or expenses relating to updates, modifications, and enhancements to the Omni-Channel Software which it elects to release.

6. CONFIDENTIALITY

A. Confidential Information. The Company and Licensee agree that all provisions in the Franchise Agreement respecting "Confidential Information" (as defined in the Franchise Agreement) will apply to this Agreement.

B. Customer Data. The Company and Licensee agree that all provisions in the Franchise Agreement respecting "Customer Data" (as defined in the Franchise Agreement) will apply to this Agreement. The Company periodically will establish policies (the "Policies") respecting the use of and restrictions on the use of Customer Data. Each of the Company and Licensee acknowledge that some or all of the Customer Data may be confidential in nature and that some Customer Data may represent Confidential Information. The parties agree to maintain the confidentiality of such Customer Data; provided, however, that each party may use the Customer Data for purposes permitted in the Franchise Agreement and the Policies. Further, the Company will use reasonable efforts to obtain the agreement of the Hosting Service and the Software Licensor to maintain the confidentiality of the Customer Data.

7. INDEMNIFICATION FOR THIRD PARTY INFRINGEMENT CLAIMS

A. Indemnification of Licensee for Back Office Software. The Company agrees to extend to Licensee any assignable indemnification rights that the Software Licensor grants to the Company respecting the Back Office Software.

B. Indemnification of Licensee for Omni-Channel Software. The Company does not have actual knowledge of any claim that the Omni-Channel Software infringes upon a third party's patent, copyright or other proprietary right. If a third party asserts such an infringement claim against Licensee, Licensee will immediately notify the Company in writing. The Company will have the right (but not the obligation) to defend any such claim, at the Company's expense, and Licensee will cooperate with the

Company with respect to such defense. In the event of any such claim, Licensee will, at the Company's direction, immediately discontinue using the Omni-Channel Software. The Company will either modify the Omni-Channel Software so as to make it non-infringing, replace the Omni-Channel Software with such other non-infringing software as the Company may furnish to Licensee or discontinue using the Omni-Channel Software without compensation to Licensee. The Company will not be liable to Licensee if an infringement claim is based on Licensee's unauthorized use or modification of the Omni-Channel Software. In addition to Licensee's indemnification obligations under the Franchise Agreement, Licensee will hold harmless, indemnify and defend the Company against all claims and will pay all costs, damages and reasonable attorneys' fees, arising out of or resulting from Licensee's failure to comply with all applicable terms of this Agreement.

C. Licensee Indemnification of Company and Software Licensor. In addition to Licensee's indemnification obligations under the Franchise Agreement, Licensee will hold harmless, indemnify and defend the Company and Software Licensor against all claims and will pay all costs, damages and reasonable attorneys' fees, arising out of or resulting from Licensee's failure to comply with all applicable terms of this Agreement.

8. WARRANTY DISCLAIMER

THE COMPANY DISCLAIMS ALL WARRANTIES, EXPRESS, IMPLIED, OR STATUTORY, INCLUDING NON-INFRINGEMENT (EXCEPT AS PROVIDED IN SECTION 7(A) or 7(B) ABOVE), MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE RESPECTING THE SOFTWARE. THE COMPANY DOES NOT WARRANT THAT THE OMNI-CHANNEL SOFTWARE IS ERROR-FREE OR THAT USE OF THE OMNI-CHANNEL SOFTWARE WILL BE FREE FROM MINOR INTERRUPTIONS.

9. LIMITATION ON DAMAGES

THE LIABILITY OF THE COMPANY TO LICENSEE WILL NOT EXCEED THE AMOUNTS LICENSEE PAYS TO THE COMPANY UNDER THIS AGREEMENT. NEITHER THE COMPANY NOR ANY OF ITS OFFICERS, DIRECTORS, AGENTS, AFFILIATES OR REPRESENTATIVES WILL BE LIABLE TO LICENSEE FOR INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS) RELATED TO THIS AGREEMENT OR RESULTING FROM LICENSEE'S USE OR INABILITY TO USE THE SOFTWARE, THAT ARISE FROM ANY CAUSE OF ACTION, INCLUDING CONTRACT, WARRANTY, STRICT LIABILITY, OR NEGLIGENCE, EVEN IF THE COMPANY HAS BEEN NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

10. PROPRIETARY RIGHTS

Other than the access granted under this Agreement, no right, title or interest in all or any portion of the Software is conveyed or assigned to Licensee, either expressly or by implication, under this Agreement, including any patents, copyrights, trade secrets, trademarks, trade names, or other intellectual property associated with the Software.

11. TERM AND TERMINATION

This Agreement commences on the Effective Date and continues until the current term of the Franchise Agreement terminates or expires, unless this Agreement is earlier terminated under this Section. The Company may terminate this Agreement: (1) immediately upon written notice to Licensee if Licensee violates Sections 2(A) or 6 above or if Licensee makes an assignment for the benefit of creditors, or

commences or has commenced against it any proceeding in bankruptcy, insolvency, or reorganization pursuant to bankruptcy laws or laws of debtor's moratorium; (2) if Licensee violates any provision of this Agreement and fails to cure such violation within thirty (30) days or such shorter time as the Company deems reasonably necessary to avoid termination of the Back Office Software Agreement; (3) Licensee ceases to have the right to operate the Franchised Business; or (4) otherwise upon termination of the Back Office Software Agreement, provided the Company offers to Licensee substitute software and services with capabilities reasonably necessary to operate the Franchised Business and Licensee agrees to sign a new license or access agreement in the form the Company reasonably directs. In addition, the Company has the right to terminate this Agreement as it applies to the Omni-Channel Software upon sixty (60) days' written notice to Licensee if the Company intends to discontinue or replace the Omni-Channel Software. Upon termination of this Agreement: (1) the Company agrees to provide Licensee with access to the Customer Data; provided, Licensee agrees not to use any Customer Data for any activity that would violate Licensee's covenants or post-termination obligations stated in the Franchise Agreement; and (2) Licensee will immediately pay the Company all amounts due respecting the Software and Hosting Service and immediately return to the Company all property relating to the Software and related Software documentation.

12. MISCELLANEOUS

This Agreement will be governed by the laws of the State of Wisconsin.

A. This Agreement represents the entire agreement between the parties respecting this subject matter and supersedes all prior agreements, representations, negotiations and understandings between the parties. The applicable terms of the Franchise Agreement will also control this Agreement. Licensee expressly acknowledges that a violation or default of the Franchise Agreement will constitute a default of this Agreement and any default of this Agreement will constitute a default of the Franchise Agreement. If Licensee defaults under the Franchise Agreement, the Company may pursue all remedies available to it under this Agreement or the Franchise Agreement, including the right of termination.

B. All amendments to this Agreement must be in writing and signed by both parties.

C. If any provision of this Agreement is found by a Court of competent jurisdiction to be illegal or unenforceable, then the remaining provisions will remain in full force and effect.

D. The Company may assign this Agreement to any other person or entity. Licensee may assign this Agreement only to its successor in interest under the terms of the Franchise Agreement.

E. Notices will be given to the parties at the addresses listed in the Franchise Agreement and will be deemed given as described in the Franchise Agreement.

The parties have signed this Agreement as of the date first written above.

THE COMPANY:

BATTERIES PLUS, L.L.C.,
a Wisconsin limited liability company

By: _____
Title: _____

LICENSEE:

(If Franchisee is a corporation or limited liability company)

Name of corporation or limited liability company

By: _____
Title: _____

(If Franchisee is an individual owner, Franchisee must sign below; if a partnership, all partners must sign below)

Franchisee

Franchisee

Franchisee

Franchisee

EXHIBIT C-1

ADDITIONAL RESTRICTIONS ON USE OF SOFTWARE

With respect to third-party computer software programs provided by the Software Licensor for use with the Software, Licensee acknowledges that its right to use any such third party software is specified on the license agreement provided by the appropriate licensor of such software.

Except as otherwise agreed to by the Software Licensor, no express or implied license or right of any kind is granted to Licensee regarding the Software including any right to know, use, produce, receive, reproduce, copy, market, sell, distribute, transfer, translate, modify, or adapt the Software or related Software documentation (the “Documentation”) or create derivative works based on the Software or Documentation or any portions thereof, or obtain possession of any source code or other technical material relating to the Software. The Software may not be used for commercial timesharing, service, business or other rental or sharing arrangements although it may be used by Licensee as described in the attached Agreement. Licensee will not decompile, reverse assemble, or otherwise reverse engineer the Software. Further, Licensee will comply with all applicable laws in connection with the use of the Software.

Licensee acknowledges and agrees that, except for Licensee’s license expressly described in this Agreement, Licensee has no right, title and interest in the Software, in any form, or in any copies thereof, including all worldwide copyrights, trade secrets, patent rights and any other proprietary information and confidential information rights therein. In connection therewith, Licensee agrees at all times to keep the Software free of all security interests, liens, encumbrances (other than licenses permitted hereunder), mortgages and claims, and Licensee agrees that neither it nor anyone at its direction will file a financing statement, mortgage, notice of lien, deed of trust, security agreement or any other agreement or instrument creating or giving notice of an encumbrance or charge against the Software.

Neither Software Licensor nor the Company will be liable for any default or delay in the performance of its obligations hereunder: (i) if and to the extent that such default or delay arises out of causes beyond its reasonable control, including acts of God, acts of war, acts of governmental authority, acts of public energy, insurrection, earthquakes, fires, cable cuts, floods, terrorism, and riots (each, a “Force Majeure Event”) and (ii) provided such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternative sources, work-around plans or other means. Upon the occurrence of a Force Majeure Event, Software Licensor or the Company, as the case may be, will be excused from further performance or observance of the obligation(s) affected so long as such circumstances caused by the Force Majeure Event prevail and the parties use their reasonable efforts to promptly recommence performance or observance of such obligation(s).

EXHIBIT D
TO FRANCHISE AGREEMENT
PROSOURCE RMS SOFTWARE AGREEMENT

**BATTERIES PLUS
PROSOURCE RMS SOFTWARE LICENSE AGREEMENT**

THIS PROSOURCE RMS AGREEMENT (this “Agreement”), between Batteries Plus LLC (“the Company”), and the Batteries Plus Licensee listed at the end of this Agreement (“Licensee”), is effective as of _____, 20__ (the “Effective Date”).

BACKGROUND

A. The Company and Licensee are parties to a Franchise Agreement, as amended if applicable (the “Franchise Agreement”) under which Licensee operates a Batteries Plus® franchised business at a designated site (the “Franchised Business”). The Company owns a proprietary software program (“ProSource RMS”) that assists franchisees in battery and light bulb cross-referencing. Licensee desires to use ProSource RMS in operating the Franchised Business.

B. The Company has contracted with a third-party hosting service to host ProSource RMS on a wide-area network in a data center environment that offers security, and high-availability. Licensee desires to access ProSource RMS through the Hosting Service for Licensee’s Franchised Business.

AGREEMENT

In consideration of the foregoing and the agreements stated below, the parties agree as follows:

1. ACCESS TO PROSOURCE RMS

A. Grant of Access. The Company grants to Licensee a non-transferable and non-exclusive right to access ProSource RMS web-site for use solely in connection with the operation and management of the Franchised Business.

B. Restrictions on Use. Licensee may use ProSource RMS only as permitted under the terms of this Agreement. Licensee cannot use ProSource RMS for any other use, including copying, reproduction, or processing of data arising other than from the internal operations of the Franchised Business. Licensee will use its best efforts to protect ProSource RMS at all times from any unauthorized use.

C. Multiple Locations. This Agreement applies only to one Franchised Business location. If Licensee operates more than one Franchised Business, Licensee and the Company must enter into a separate ProSource RMS access agreement for each Franchised Business location.

D. Point-of-Sale. Licensee must be using the Company’s designated point-of-sale system.

2. HOSTING SERVICE

A. Connectivity. Licensee must provide business-class Internet-based wide-area network (WAN) connectivity from Licensee’s site with sufficient bandwidth to meet Licensee’s use demands. Licensee must provide cellular Internet backup that meets the Company’s then-current specifications. ProSource RMS was designed to operate on business-class DSL bandwidth or greater; Batteries Plus is not responsible for functionality with lesser bandwidth. Licensee must use the current version of Microsoft Internet Explorer or other compatible browser configuration specified by the Company. Licensee will comply with the Company’s minimum hardware requirements for the use of ProSource RMS, as disclosed and periodically updated in the Company’s confidential franchise operations manuals (the “Operations Manual”).

B. Security. Licensee will administer the distribution and assignment of logon identities and passwords for each user in Licensee's organization. Licensee is responsible for keeping and maintaining the security of its passwords. Licensee will change store password upon the departure of any employee who had been given a password. The Company will not be responsible for unauthorized access to Licensee's data that results from Licensee's failure to keep secure its assigned passwords. The Company will use its best efforts to obtain the agreement of the Hosting Service to establish security protocols that prevent one licensee from accessing the data of any other licensee. In addition, the Company will administer the distribution and assignment of logon identities and passwords for each user within the Company. The Company will not be responsible for unauthorized access to Licensee's data that results from the Company's failure, due to gross negligence or willful misconduct, to keep secure its assigned passwords.

3. PAYMENT

As further described in the Franchise Agreement, Licensee will pay to the Company a computer software access fee on or before the date Licensee commences operation at the Franchised Business.

4. MAINTENANCE SERVICES; UPDATES

A. The Company will provide the following maintenance services (directly or through the Hosting Service) to Licensee during the term of this Agreement: Help desk support from 7:00 AM to 7:00 PM Central Standard Time, Monday-Friday, excluding holidays, to answer questions related to functionality of ProSource RMS; and correcting identifiable and reproducible program errors in ProSource RMS. The Company has established and will maintain an email account for communications purposes.

B. The Company may, in its sole discretion, periodically release updates, modifications and enhancements respecting ProSource RMS. Licensee will install any fixes, updates, modifications or enhancements which the Company designates as mandatory. The Company may charge a reasonable fee for its services, including any services or expenses relating to updates, modifications, and enhancements to ProSource RMS which it elects to release.

5. CONFIDENTIAL INFORMATION

The Company and Licensee agree that all provisions in the Franchise Agreement respecting "Confidential Information" (as defined in the Franchise Agreement) will apply to ProSource RMS, Licensee's use of ProSource RMS and data stored on or collected from ProSource RMS. The Company will use reasonable efforts to obtain the agreement of the Hosting Service to maintain the confidentiality of all Confidential Information in its possession.

6. INDEMNIFICATION FOR THIRD PARTY INFRINGEMENT CLAIMS

A. The Company agrees to extend to Licensee any assignable indemnification and warranty rights that the Hosting Service grants to the Company.

B. The Company does not have actual knowledge of any claim that ProSource RMS infringes upon a third party's patent, copyright or other proprietary right. If a third party asserts such an infringement claim against Licensee, Licensee will immediately notify the Company in writing. The Company will have the right (but not the obligation) to defend any such claim, at the Company's expense, and Licensee will cooperate with the Company with respect to such defense. In the event of any such claim, Licensee will, at the Company's direction, immediately discontinue using ProSource RMS. The Company will either modify ProSource RMS so as to make it non-infringing or replace ProSource RMS with such other non-infringing software as the Company may furnish to Licensee. In either case, the Company will do so only

if the modified or replacement software performs substantially the same functions as the infringing software. So long as Licensee complies with the terms hereof, the Company will indemnify Licensee for any loss, damage, cost or expense related to such claim.

C. The Company will not be liable to Licensee if an infringement claim is based on use of ProSource RMS in combination with any product, software or system not delivered by the Company, or Licensee's unauthorized use or modification of ProSource RMS.

7. WARRANTY DISCLAIMER

THE COMPANY DISCLAIMS ALL WARRANTIES, EXPRESS, IMPLIED, OR STATUTORY, INCLUDING NON-INFRINGEMENT (EXCEPT AS PROVIDED IN SECTION 6 ABOVE), MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE RESPECTING PROSOURCE RMS.

8. LIMITATION ON DAMAGES

THE LIABILITY OF THE COMPANY TO LICENSEE WILL NOT EXCEED THE AMOUNTS LICENSEE PAYS TO THE COMPANY UNDER THIS AGREEMENT. THE COMPANY WILL NOT BE LIABLE TO LICENSEE FOR INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS) RELATED TO THIS AGREEMENT OR RESULTING FROM LICENSEE'S USE OR INABILITY TO USE PROSOURCE RMS THAT ARISE FROM ANY CAUSE OF ACTION, INCLUDING CONTRACT, WARRANTY, STRICT LIABILITY, OR NEGLIGENCE, EVEN IF THE COMPANY HAS BEEN NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

9. PROPRIETARY RIGHTS

Other than the access granted under this Agreement, no right, title or interest in all or any portion of ProSource RMS is conveyed or assigned to Licensee, either expressly or by implication, under this Agreement, including any patents, copyrights, trade secrets, trademarks, trade names, or other intellectual property associated with ProSource RMS.

10. TERM AND TERMINATION

A. Term and Termination. This Agreement commences on the Effective Date and continues until the current term of the Franchise Agreement terminates or expires, unless this Agreement is earlier terminated under this Section. The Company may terminate this Agreement: (1) immediately upon written notice to Licensee if Licensee violates Sections 1(B) or 5 above; (2) if Licensee violates any provision of this Agreement (other than Section 1(B) or 5 above) and fails to cure such violation within the period of time permitted for violation of a material provision of the Franchise Agreement; (3) if Licensee ceases to have the right to operate the Franchised Business or a violation of the Franchise Agreement; or (4) upon ninety (90) days' written notice from the Company that it intends to discontinue use of or replace ProSource RMS.

11. MISCELLANEOUS

A. This Agreement will be governed by the laws of the State of Wisconsin.

B. This Agreement represents the entire agreement between the parties respecting this subject matter and supersedes all prior agreements, representations, negotiations and understandings between the

parties. The applicable terms of the Franchise Agreement will also control this Agreement. Licensee expressly acknowledges that a violation or default of the Franchise Agreement will constitute a default of this Agreement and any default of this Agreement will constitute a default of the Franchise Agreement. If Licensee defaults under the Franchise Agreement, the Company may pursue all remedies available to it under this Agreement or the Franchise Agreement, including the right of termination.

C. All amendments to this Agreement must be in writing and signed by both parties.

D. If any provision of this Agreement is found by a court of competent jurisdiction to be illegal or unenforceable, then the remaining provisions will remain in full force and effect.

E. The Company may assign this Agreement to any other person or entity. Licensee may assign this Agreement only to its successor in interest under the terms of the Franchise Agreement.

F. Notices will be given to the parties at the addresses listed in the Franchise Agreement and will be deemed given as described in the Franchise Agreement.

The parties have signed this Agreement as of the date first written above.

THE COMPANY:

BATTERIES PLUS, L.L.C.,
a Wisconsin limited liability company

LICENSEE:

(If Franchisee is a corporation or limited liability company)

Name of corporation or limited liability company

By: _____
Title: _____

By: _____
Title: _____

(If Franchisee is an individual owner, Franchisee must sign below; if a partnership, all partners must sign below)

Franchisee

Franchisee

Franchisee

Franchisee

**EXHIBIT E
TO FRANCHISE AGREEMENT**

GUARANTY AND ASSUMPTION OF OBLIGATIONS

GUARANTY AND ASSUMPTION OF OBLIGATIONS

In consideration of Batteries Plus, L.L.C.'s (the "Franchisor") execution of that certain Franchise Agreement of even date (the "Agreement") with _____ (the "Franchisee"), each of the undersigned (a "Guarantor") jointly and severally agree as follows:

A. Guarantors personally and unconditionally guarantee to Franchisor and its successors and assigns that: (i) Franchisee will timely pay Franchisor and its affiliates all monies Franchisee owes to Franchisor and its affiliated and related entities, including all monies payable by Franchisee under the Agreement; (ii) Franchisee will timely perform all other undertakings, agreements and covenants stated in the Agreement; and (iii) agree to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (collectively, "Franchise Agreement Obligations").

B. Each of the Guarantors waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertaking; (2) notice of demand for payment of any indebtedness; (3) protest and notice of default to any party respecting the indebtedness; (4) any right he/she may have to require that an action be brought against Franchisee or any other person as a condition of liability.

C. Each Guarantor consents and agrees that:

(1) Guarantor's liability under this undertaking will be direct and independent of the liability of, and will be joint and several with, Franchisee and the other Guarantors of Franchisee;

(2) Guarantor will make any payment or perform any Franchise Agreement obligation upon demand if Franchisee fails to do so;

(3) Guarantor's liability hereunder will not be diminished or relieved by bankruptcy, insolvency or reorganization of Franchisee or any assignee or successor;

(4) Guarantor's liability will not be diminished, relieved or otherwise affected by any extension of time or credit which Franchisor may grant to Franchisee, including the acceptance of any partial payment or performance, or the compromise or release of any claims;

(5) Franchisor may proceed against Guarantor and Franchisee jointly and severally, or Franchisor may, at its option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against Franchisee or any other Guarantor; and

(6) Guarantors will indemnify, defend and hold harmless Franchisor and its affiliates, and their respective shareholders, directors, employees, and agents, against and from all losses, damages, costs, and expenses, which Franchisor or its affiliates may sustain, incur, or become liable for as a result of:

a. Franchisee's or Guarantor's failure to pay or perform any of the Franchise Agreement Obligations; or

b. any action by Franchisor to obtain performance by Franchisee of any act, matter, or thing required by the Agreement.

(7) Guarantor will pay all reasonable attorneys' fees and all costs and other expenses Franchisor incurs in enforcing this Guaranty against Guarantor or any negotiations relative to the obligations hereby guaranteed.

This Guaranty will terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the Guarantors which arose from events which occurred on or before the effective date of such termination will remain in full force and effect until satisfied or discharged by the Franchisee or the Guarantors, and all covenants which by their terms continue in force after the expiration or termination of the Agreement will remain in force according to their terms. Upon the death of an individual Guarantor, the estate of such Guarantor will be bound by this Guaranty, but only for defaults and obligations hereunder existing at the time of death; and the obligations of any other Guarantors will continue in full force and effect.

The provisions of Sections 19 and 20 of the Agreement will apply as to any interpretation or enforcement of this Guaranty, and the provisions of Section 21 of the Agreement will apply to any notice to either party, except that notice to Guarantors will be provided at the following alternative address (if applicable): _____ . If no address is provided, any notice to Guarantors will be sent to the address designated in Section 21 of the Agreement.

Each of the undersigned has signed this Guaranty as of the same day and year as the Agreement was executed.

GUARANTOR(S)

PERCENTAGE OWNERSHIP IN FRANCHISEE

EXHIBIT D

**LIST OF FRANCHISED STORES
AND FORMER FRANCHISEES**

BATTERIES PLUS FRANCHISE STORES
as of January 31, 2022

BATTERIES PLUS FRANCHISE STORES

Address 1	Address 2	City	State	Zip	Phone Nbr	Fax Nbr	Owners
940 W International Airport Rd.	Unit A	Anchorage	AK	99518	(907) 770-6110	(907) 770-6335	M & L Investment, LLC
3027 Airport Way		Fairbanks	AK	99709	(907) 328-4040	(907) 328-4045	M & L Investment, LLC
591 E Parks Hwy	Suite 402	Wasilla	AK	99654	(907) 376-1181	(907) 376-1192	M & L Investment, LLC
1400 9th Avenue North	Suite 132	Bessemer	AL	35020	(205) 434-4542		Moe's Handling LLC
1604 Beltline Road Southwest		Decatur	AL	35601	(256) 350-0000	(256) 350-0099	Orange & Blue Inc.
2605 Florence Blvd		Florence	AL	35630	(256) 246-0797	(256) 764-6724	Orange & Blue Inc.
3022 Memorial Parkway South	Suite 700	Huntsville	AL	35801	(256) 270-9700	(256) 270-9703	Orange & Blue Inc.
30694 US Highway 72	Suite C	Madison	AL	35756	(256) 837-7500	(256) 837-8804	Orange & Blue Inc.
2582 Cobbs Ford Rd.		Prattville	AL	36066	(334) 285-6553	(334) 517-6304	Orange & Blue Inc.
300 Colonial Promenade Parkway	Suite 300	Alabaster	AL	35007	(205) 620-3533	(205) 620-3733	D C Power, Inc.
2800 Greystone Commercial Blvd.	#2A	Birmingham	AL	35242	(205) 995-0053	(205) 995-0930	D C Power, Inc.
224 Oxmoor Blvd		Homewood	AL	35209	(205) 945-5506	(205) 945-5606	D C Power, Inc.
5619 Grove Blvd		Hoover	AL	35226	(205) 733-4091	(205) 733-4094	D C Power, Inc.
2302 Pelham Parkway		Pelham	AL	35124	(205) 621-9888	(205) 621-7662	D C Power, Inc.
5951 Valley Rd		Trussville	AL	35173	(205) 655-0002	(205) 655-7349	D C Power, Inc.
505B 15th Street E		Tuscaloosa	AL	35401	(205) 343-1780	(205) 343-7487	D C Power, Inc.
4500 W. Walnut St	#7	Rogers	AR	72756	(479) 631-7587	(479) 631-7589	Peak Batteries of Oklahoma, LLC
801 South Bowman Road	Suite #2	Little Rock	AR	72211	(501) 224-2852	(501) 224-1707	Batteries & Bulbs of Arkansas, LLC
6808 Rogers Avenue	Suite A	Fort Smith	AR	72903	(479) 439-8282	(479) 439-4675	Sutherlands Power & Light, LLC
2500 S 4th Avenue	Suite 1	Yuma	AZ	85364	(928) 366-1013		Energized Enterprises, Inc.
4040 S. Arizona Ave	Suite H-5	Chandler	AZ	85248	(480) 534-5131	(480) 410-4832	Demlok Holdings, LLC
20133 South Ellsworth Rd	Suite 108	Queen Creek	AZ	85142	(480) 590-5822	(480) 590-6091	Demlok Holdings, LLC
25314 N. Lake Pleasant Pkwy	Suite 1270	Peoria	AZ	85383	(623) 562-3444	(623) 562-3788	Dene & Paula Lambkin
3774 Hwy 95	Suite 1	Bullhead City	AZ	86442	(928) 299-5400	(928) 299-5402	Cobblestone Group II LLC
1031 N. Wilmot		Tucson	AZ	85711	(520) 747-8228	(520) 747-8368	Lawson Properties, Inc.
5925 W. Arizona Pavilions Dr	Suite 101	Tucson	AZ	85743	(520) 744-8788	(520) 744-8818	Ina Cam Properties, Inc
4433 N. First Avenue		Tucson	AZ	85719	(520) 888-3388	(520) 888-1818	First Avenue Investment Inc.
1217 W. Irvington	Tucson Spectrum Unit 151	Tucson	AZ	85714	(520) 889-9978	(520) 889-3282	B Plus B4 Tucson Spectrum, L.L.C.
602 W. Route 66		Flagstaff	AZ	86001	(928) 774-6800	(928) 774-6811	The Transport Company, LLC
140 E. Deuce of Clubs Drive	Suite D	Show Low	AZ	85901	(928) 251-4316		The Transport Company, LLC
1275 E. Florence Blvd	Suite 6	Casa Grande	AZ	85122	(520) 421-1111	(520) 421-0004	J&G Cavu, LLC
7129 E First St	Suite 103	Prescott Valley	AZ	86314	(928) 772-1152	(928) 772-3557	Irish Batteries LLC
1809 N. Dysart Rd	Suite 104	Avondale	AZ	85392	(623) 536-0022	(602) 865-0395	Crusaders Investments, Inc.
3014 N Dobson Rd	Suite 2	Chandler	AZ	85224	(480) 730-1103	(480) 730-1106	Crusaders Investments, Inc.
29 N Val Vista Dr	Suite 105	Gilbert	AZ	85234	(480) 632-1909	(480) 632-2380	Crusaders Investments, Inc.
2811 S. Market Street		Gilbert	AZ	85295	(480) 535-0888	(480) 535-0874	Crusaders Investments, Inc.
6680 W Bell Rd	Suite A	Glendale	AZ	85308	(623) 979-0532	(623) 979-0538	Crusaders Investments, Inc.
1145 S Power Rd	Suite 102	Mesa	AZ	85206	(480) 654-3870	(480) 654-5734	Crusaders Investments, Inc.

Address 1	Address 2	City	State	Zip	Phone Nbr	Fax Nbr	Owners
2404 E Bell Rd		Phoenix	AZ	85032	(602) 787-8808	(602) 787-8810	Crusaders Investments, Inc.
3415 W Glendale Ave	Suite #2	Phoenix	AZ	85051	(602) 841-3900	(602) 841-3908	Crusaders Investments, Inc.
3838 E Thomas Rd		Phoenix	AZ	85018	(602) 840-4034	(602) 840-4277	Crusaders Investments, Inc.
14202 N Scottsdale Rd	Suite 147	Scottsdale	AZ	85254	(480) 998-5004	(480) 998-5009	Crusaders Investments, Inc.
12845 W Bell Road		Surprise	AZ	85378	(623) 226-7077	(623) 226-7075	Crusaders Investments, Inc.
3404 S McClintock Dr		Tempe	AZ	85282	(480) 820-0703	(480) 820-1136	Crusaders Investments, Inc.
1971 E. 17th Street	Suite B	Santa Ana	CA	92705	(714) 900-2220	(714) 900-3772	WARR, LLC
2700 N. Texas Street		Fairfield	CA	94533	(707) 794-2256	(707) 794-2286	K2B, LLC
313 N. McDowell Blvd		Petaluma	CA	94954	(707) 794-2244	(707) 794-2234	K2B, LLC
2648 Santa Rosa Avenue	Suite B	Santa Rosa	CA	95407	(707) 536-1919		Amicita Partners, Inc.
9950 Foothill Blvd	Suite Z	Rancho Cucamonga	CA	91730	(909) 578-0123	(909) 578-0124	Happy Dogs Batteries, Inc.
101 Mount Hermon Rd		Scotts Valley	CA	95066	(831) 439-6720	(831) 439-6723	Nicole & Lance Brown
95 W. Shaw Avenue	Suite 105	Clovis	CA	93612	(559) 900-2789	(559) 900-2786	Leon Cai & Polly Deng
407 W. Imperial Hwy	Suite B	Brea	CA	92821	(714) 529-1800	(714) 529-1807	C&B Batteries, LLC
1811 N. Broadway		Santa Maria	CA	93454	(805) 332-3974	(805) 332-3981	Matthew Cox, an Individual
369 S Lower Sacramento Rd	Suite A	Lodi	CA	95242	(209) 370-6343	(209) 370-6345	B&C Renewable Energy LLC
4707 Quail Lakes Drive	Suite 100A	Stockton	CA	95207	(209) 490-2607		B&C Renewable Energy LLC
3410 Stevens Creek Blvd	Suite 100	San Jose	CA	95117	(408) 538-3333	(408) 244-3398	Bay Area Batteries, Inc.
7429 Amador Valley Blvd		Dublin	CA	94568	(925) 829-7587	(925) 829-7580	Laurence Charles Evans & Elizabeth Evans Rev Trust
5437 S. Sepulveda Blvd		Culver City	CA	90230	(310) 313-2550	(310) 313-2788	Batteries Pro, Inc.
18541 Hawthorne Blvd.		Torrance	CA	90504	(310) 730-1717	(310) 263-8088	AP Business Partners, LLC
72705 Highway 111	Suite B-12	Palm Desert	CA	92260	(760) 527-3400	(760) 527-3401	Desert Accumulator, LLC
26475 Ynez Road		Temecula	CA	92591	(951) 267-4200	(951) 267-4201	Pacific Accumulator and Light Co., Inc.
1742 N Moorpark Rd		Thousand Oaks	CA	91360	(805) 494-8484	(805) 494-8486	HirthCo Enterprises, Inc.
1725 S Victoria Ave	Suite B	Ventura	CA	93003	(805) 658-6400	(805) 658-1058	BP Power-Ventura, LLC
163 B West Ventura Blvd		Camarillo	CA	93010	(805) 383-7100	(805) 484-0840	BP Power-Camarillo, LLC
20501 Roscoe Blvd		Winnetka	CA	91306	(747) 206-5029		Avyak A2A LLC
2064 4th St		San Rafael	CA	94901	(415) 455-9221	(415) 455-9619	Green Earth Electrical Storage, Inc.
3312 W Shaw Ave		Fresno	CA	93711	(559) 277-8288	(559) 277-8806	SBP, Inc.
3000 McHenry Ave	Suite 1	Modesto	CA	95350	(209) 529-0600	(209) 529-0604	SBP, Inc.
3330 East Hammer Lane	Suite E	Stockton	CA	95212	(209) 952-1438	(209) 952-1684	SBP, Inc.
651 West Grant Line Rd.	Suite B	Tracy	CA	95376	(209) 834-0600		SBP, Inc.
2500 Zanella Way	Suite D	Chico	CA	95928	(530) 891-5690	(530) 891-5918	rpower, LLC
1355 Churn Creek Rd	Suite C-8	Redding	CA	96003	(530) 221-5415	(530) 221-5413	rpower, LLC
1701 E. Monte Vista Avenue	Unit 200	Vacaville	CA	95688	(707) 317-6999	(707) 317-1999	rpower, LLC
1199 Butte House Rd	Suite D	Yuba City	CA	95991	(530) 671-9905	(530) 671-9907	rpower, LLC
2810 El Cajon Blvd	Suite B	San Diego	CA	92104	(619) 543-1101	(619) 543-1102	Kansas Street Investments, Inc.
23645 El Toro Rd	Suite C	Lake Forest	CA	92630	(949) 206-0152	(949) 206-0162	SoCal Batteries, Inc.
2070 Hacienda Dr	Suite D	Vista	CA	92081	(760) 940-0940	(760) 631-7396	SoCal Batteries, Inc.
557 Contra Costa Blvd.		Pleasant Hill	CA	94523	(925) 687-2600	(925) 687-2601	SharonTom Batteries, Inc.
11865 Willow Creek Drive		Auburn	CA	95603	(530) 483-8566		Tollefson & Associates, Inc.
8025 Greenback Lane	Suite A	Citrus Heights	CA	95610	(916) 722-3300	(916) 722-2489	Tollefson & Associates, Inc.

Address 1	Address 2	City	State	Zip	Phone Nbr	Fax Nbr	Owners
8239 Laguna Boulevard	Suite 140	Elk Grove	CA	95758	(916) 691-3300	(916) 691-3304	Tollefson & Associates, Inc.
2791 E. Bidwell Street	Suite 200	Folsom	CA	95630	(916) 790-9300	(916) 790-9399	Tollefson & Associates, Inc.
910 Pleasant Grove Blvd	Suite 100	Roseville	CA	95678	(916) 786-2222	(916) 786-2220	Tollefson & Associates, Inc.
1632 Howe Avenue		Sacramento	CA	95825	(916) 333-5080	(916) 333-5078	Tollefson & Associates, Inc.
767 Ikea Court	Suite 125	West Sacramento	CA	95605	(916) 737-5959	(916) 737-5955	Tollefson & Associates, Inc.
578 25 Road		Grand Junction	CO	81505	(970) 245-7000	(970) 245-7192	Rock Ridge Enterprises, LLC
6819 Space Village Avenue		Colorado Springs	CO	80915	(719) 597-1288		Energized LLC
1107 W. Drake	Suite E3	Fort Collins	CO	80526	(970) 206-0206	(970) 206-0207	Ptacek Enterprises, Inc.
1020 Ken Pratt Blvd	Suite E	Longmont	CO	80501	(303) 485-8389	(303) 485-0107	Ptacek Enterprises, Inc.
1439 N Denver Ave		Loveland	CO	80538	(970) 776-1515	(970) 776-1513	Ptacek Enterprises, Inc.
1137 Diamond Circle	Suite 300	Lafayette	CO	80026	(303) 665-0830	(303) 484-7606	3Sevens LLC
2713 Janitell Rd	Suite #160	Colorado Springs	CO	80906	(719) 219-0323	(719) 219-0325	CDF Enterprises, Inc.
3320 Austin Bluffs Pkwy		Colorado Springs	CO	80918	(719) 599-9554	(719) 599-3921	CDF Enterprises, Inc.
5620 E. Woodmen Rd		Colorado Springs	CO	80920	(719) 572-7300	(719) 572-7299	CDF Enterprises, Inc.
1408 U.S. Hwy 50W		Pueblo	CO	81008	(719) 583-8766	(719) 583-8762	CDF Enterprises, Inc.
4330 Center Place Drive	Unit 618	Greeley	CO	80634	(970) 506-0551	(303) 484-7606	Phaeton Investments, Inc.
481 Boston Post Road		Orange	CT	06477	(203) 298-9865	(203) 298-9867	CT Batteries & Bulbs, LLC
179 Deming Street		Manchester	CT	06042	(860) 432-1401	(860) 432-1420	Devmor, LLC
3384 Berlin Turnpike		Newington	CT	06111	(860) 952-3232	(860) 952-3233	Industria Et Lux, LLC
4824 Highway 90		Pace	FL	32571	(850) 889-4045	(850) 889-4047	Reliable Power Group, Inc.
6895 N. 9th Avenue	Suite B	Pensacola	FL	32504	(850) 361-4621	(850) 361-4623	Reliable Power Group, Inc.
1759 NE 163rd St		North Miami Beach	FL	33162	(305) 749-6302	(305) 749-6755	Maipu Villa Corp
6400 S. Dixie Hwy.	Suite 3	Miami	FL	33143	(305) 661-4567	(305) 661-4597	Los Pasos, LLC
2635 South University Dr		Davie	FL	33328	(754) 900-8351	(954) 530-4485	Junel America, LLC
2601 N. University Drive		Sunrise	FL	33322	(954) 530-4601	(954) 530-4485	Junel America, LLC
1761 Main Street	Suite 100	Dunedin	FL	34698	(727) 726-0228	(727) 724-6597	Barron Family Enterprises, LLC
5644 US Hwy 19		New Port Richey	FL	34652	(727) 849-6700	(727) 849-6770	Barron Family Enterprises, LLC
13176 Cortez Blvd	Unit 40	Spring Hill	FL	34613	(352) 556-5242	(352) 610-9908	Barron Family Enterprises, LLC
459 W. State Road 436		Altamonte Springs	FL	32714	(407) 788-7772	(407) 788-1769	Jump Start, Inc.
17195 US Highway 441	Suite 101	Mount Dora	FL	32757	(352) 483-1122	(352) 483-0108	Jump Start, Inc.
10809 W. Colonial Drive		Ocoee	FL	34761	(407) 877-7788	(407) 654-5805	Jump Start, Inc.
3813 E Colonial Dr		Orlando	FL	32803	(407) 228-9969	(407) 228-9967	Jump Start, Inc.
4450 FL-7	Suite 4-5	Coconut Creek	FL	33073	(954) 623-6066	(954) 623-6078	Fully Charged, LLC
14530 South Military Trail	Suite A6-7	Delray Beach	FL	33484	(561) 501-5461	(561) 501-5398	Fully Charged, LLC
1690 Tamiami Trail		Port Charlotte	FL	33948	(941) 766-1400	(941) 624-4496	Kato Kids LLC
511 US Highway 41 Bypass N		Venice	FL	34285	(941) 488-2120	(941) 488-5160	Keys Kids, LLC
1551 E. Commercial Blvd		Ft Lauderdale	FL	33334	(954) 771-0838	(954) 771-1649	Way Maker, Inc.
103 W. 23rd Street	Suite E-5	Panama City	FL	32405	(850) 463-0099	(850) 463-0099	Qixtek, LLC
1820 58th Avenue	Suite 102	Vero Beach	FL	32966	(772) 617-2403	(772) 257-6103	Straight Oaks, LLC
6240 14th Street West		Bradenton	FL	34207	(941) 752-0812	(941) 739-6962	Rock Family Enterprises, Inc.
11557 SR 70 East		Lakewood Ranch	FL	34202	(941) 722-3160	(941) 723-9548	Rock Family Enterprises, Inc.
13002 Seminole Blvd.	Suite 1	Largo	FL	33778	(727) 586-4357	(727) 586-4520	Rock Family Enterprises, Inc.

Address 1	Address 2	City	State	Zip	Phone Nbr	Fax Nbr	Owners
6480 Park Blvd		Pinellas Park	FL	33781	(727) 545-9298	(727) 541-5287	Rock Family Enterprises, Inc.
4401 Bee Ridge Road		Sarasota	FL	34233	(941) 377-4441	(941) 342-0798	Rock Family Enterprises, Inc.
6920 4th Street North		St. Petersburg	FL	33702	(727) 888-4999	(727) 888-4998	Rock Family Enterprises, Inc.
761 Cortaro Dr		Sun City Center	FL	33573	(813) 819-2727	(813) 812-6718	Rock Family Enterprises, Inc.
1703 W. Fletcher		Tampa	FL	33612	(813) 960-5667	(813) 960-9712	Rock Family Enterprises, Inc.
24830 S Tamiami Trail	Suite 2000	Bonita Springs	FL	34134	(239) 405-8143	(239) 405-8317	Southside Investment, LLC
900 SW Pine Island Road	Suite #118	Cape Coral	FL	33991	(239) 673-8545	(239) 673-8547	Southside Investment, LLC
11200 S. Cleveland Avenue		Ft Myers	FL	33907	(239) 278-3388	(239) 278-5475	Southside Investment, LLC
1811 Tamiami Trail N		Naples	FL	34102	(239) 261-9790	(239) 261-9418	Southside Investment, LLC
3747 Southside Blvd		Jacksonville	FL	32216	(904) 620-9992	(904) 620-9611	R.G. Garth Co., Inc.
10991-56 San Jose Blvd		Jacksonville	FL	32223	(904) 886-2800	(904) 886-2822	R.G. Garth Co., Inc.
36 A Blanding Blvd		Orange Park	FL	32073	(904) 375-0495	(904) 375-2370	R.G. Garth Co., Inc.
1926 W. Brandon Blvd.		Brandon	FL	33511	(813) 689-3300	(813) 464-7871	Future Plus of Florida, Inc.
1120 East Hwy 50	Suite E	Clermont	FL	34711	(352) 432-1850	(813) 464-7871	Future Plus of Florida, Inc.
3318 SW 35th Blvd		Gainesville	FL	32608	(352) 872-5920	(813) 464-7871	Future Plus of Florida, Inc.
790 Skymarks Drive	Suite 105	Jacksonville	FL	32218	(904) 503-9200	(813) 464-7871	Future Plus of Florida, Inc.
13794 Beach Blvd	Suite 2	Jacksonville	FL	32224	(904) 677-5911	(813) 464-7871	Future Plus of Florida, Inc.
3308 Greenwald Way North		Kissimmee	FL	34741	(407) 910-4466	(813) 464-7871	Future Plus of Florida, Inc.
3230 South Florida Avenue		Lakeland	FL	33803	(863) 686-4888	(813) 464-7871	Future Plus of Florida, Inc.
3950 SW College Rd	Suite 101	Ocala	FL	34474	(352) 873-6800	(813) 464-7871	Future Plus of Florida, Inc.
1100 N Alafaya Trail	Suite 150	Orlando	FL	32828	(407) 392-0899	(813) 464-7871	Future Plus of Florida, Inc.
138 South Dale Mabry		Tampa	FL	33609	(813) 873-2600	(813) 464-7871	Future Plus of Florida, Inc.
775 Cypress Gardens Blvd		Winter Haven	FL	33880	(863) 576-1230	(813) 464-7871	Future Plus of Florida, Inc.
5640 NW 167th Street		Miami Lakes	FL	33014	(305) 626-8700	(305) 626-3922	Power Up Enterprises, LLC
5000 N. Wickham Road	Suite 101	Melbourne	FL	32940	(321) 752-4984	(321) 752-4997	Brevard Batteries & Bulbs, LLC
357 E. Merritt Island Cswy		Merritt Island	FL	32952	(321) 459-1393	(321) 752-4997	Brevard Batteries & Bulbs, LLC
1150 Malabar Rd. SE	Suite 101	Palm Bay	FL	32907	(321) 821-4401	(321) 752-4997	Brevard Batteries & Bulbs, LLC
4025 W. New Haven Avenue		West Melbourne	FL	32904	(321) 499-3509	(321) 752-4997	Brevard Batteries & Bulbs, LLC
2418 W Hwy 44		Inverness	FL	34453	(352) 329-2914	(352) 329-2916	Osmond Industries, LLC
1250 Northlake Blvd		Lake Park	FL	33403	(561) 881-8900	(561) 881-8020	Palm Beach Battery Ventures, LLC
6250 Lantana Road	Suite 23	Lake Worth	FL	33463	(561) 304-0707	(561) 304-0808	Palm Beach Battery Ventures, LLC
551 N. State Road 7	Suite 102	Royal Palm Beach	FL	33411	(561) 333-5332	(561) 333-5662	Palm Beach Battery Ventures, LLC
1400 Village Square Blvd	Suite 17	Tallahassee	FL	32312	(850) 629-4175	(850) 629-4185	D & H Batteries LLC
870 North US Hwy 27	Suite C	Lady Lake	FL	32159	(352) 354-7770	(352) 354-7729	Taylor Battery, Inc.
6390 W. Indiantown Rd	Suite 36	Jupiter	FL	33458	(561) 743-7733	(561) 743-7731	Jupiter Battery, Inc.
2002 S.E. Federal Highway		Stuart	FL	34994	(772) 287-7131	(772) 287-7173	Stuart Battery, Inc.
6622 Eagle Watch Drive	Suite 565	Orlando	FL	32822	(321) 247-5655	(321) 247-5647	Maha Orlando, LLC
2764 Watson Blvd	Suite 100	Centerville	GA	31028	(478) 333-6919	(478) 333-6954	R&B Batteries, LLC
1895 Highway 20 South		Conyers	GA	30013	(770) 761-8124	(770) 761-6975	R&B Batteries, LLC
2131 Pleasant Hill Rd	Suite 133	Duluth	GA	30096	(770) 495-1644	(770) 495-1640	R&B Batteries, LLC
265 Tom Hill Sr. Blvd	Suite A	Macon	GA	31210	(478) 405-9192	(478) 405-9404	R&B Batteries, LLC
10800 Alpharetta Hwy	Suite 212	Roswell	GA	30076	(770) 587-0990	(770) 587-0334	R&B Batteries, LLC

Address 1	Address 2	City	State	Zip	Phone Nbr	Fax Nbr	Owners
2324 Ronald Reagan Pkwy		Snellville	GA	30078	(770) 972-4142	(770) 972-4885	R&B Batteries, LLC
4418 Roswell Road, NE		Atlanta	GA	30342	(404) 256-0310	(770) 421-0059	Irish Plus, LLC
51 Cobb Pkwy South		Marietta	GA	30060	(770) 421-0220	(770) 421-0059	Irish Plus, LLC
4101 Roswell Road	Suite 305/306	Marietta	GA	30062	(678) 403-2066	(770) 421-0059	Irish Plus, LLC
5304 Windward Pkwy	Suite #105	Alpharetta	GA	30004	(678) 893-9990	(678) 893-9992	High Voltage, LLC
906 Market Place Blvd	Suite 102	Cumming	GA	30041	(770) 781-6460	(770) 781-6458	High Voltage, LLC
837 Hwy 400 South	Suite 110	Dawsonville	GA	30534	(770) 232-9292	(770) 232-9242	High Voltage, LLC
975 Dawsonville Hwy	Suite 18	Gainesville	GA	30501	(770) 287-3731	(770) 287-3732	High Voltage, LLC
9820 Hwy 92	Suite 160	Woodstock	GA	30188	(770) 852-2282	(770) 852-2280	High Voltage, LLC
1935 Buford Mill Dr	Suite I	Buford	GA	30519	(770) 614-7037	(770) 614-7039	Batteries 652, LLC
905 Parkside Walk Lane	Suite 101	Lawrenceville	GA	30043	(770) 338-1485	(770) 338-1487	Batteries 652, LLC
5829 Campbellton Road SW	Suite 102	Atlanta	GA	30331	(404) 565-2941		2AG Corporation
3640 Marietta Hwy	Suite 200	Canton	GA	30114	(770) 609-3111		EK Harris Properties, LLC
1133 East West Connector	Suite 380	Austell	GA	30106	(678) 556-0909	(678) 556-0908	Batteries Three, LLC
9641 Hwy 5	Suite C	Douglasville	GA	30135	(770) 489-6402	(770) 489-6404	Batteries One, Inc.
2953 Cobb Parkway NW	Mack Dobbs Pt Shopping Ctr	Kennesaw	GA	30152	(678) 331-1416	(678) 331-1588	BatteriesTwo, LLC
503 Turner McCall Blvd		Rome	GA	30165	(706) 295-0005	(706) 295-0006	ARC Batteries, LLC
3149 Atlanta Hwy	Suite #101	Athens	GA	30606	(706) 354-8444	(706) 354-8020	J.P. Herbs, Inc.
3932 North Druid Hills Rd	Suite A	Decatur	GA	30033	(770) 414-6979	(770) 414-6980	Batteries, Watts & Things, LLC
334-A Bullsboro Drive	Suite A	Newnan	GA	30263	(678) 833-3730	(678) 854-9907	Batteries, Watts & Things, LLC
170 Peachtree East Shopping Center		Peachtree City	GA	30269	(770) 692-4273	(678) 833-3729	Batteries, Watts & Things, LLC
1540 Hudson Bridge Road	Suite A-12	Stockbridge	GA	30281	(770) 474-5999	(770) 692-1934	Batteries, Watts & Things, LLC
495 Moreland Ave SE	Suite A	Atlanta	GA	30316	(678) 509-3329	(678) 509-3349	China Grove Capital, LLC
4431 Washington Rd	Suite 2	Evans	GA	30809	(706) 364-3215	(706) 364-3265	R&L Voss, LLC
3803 Washington Road		Martinez	GA	30907	(706) 733-1113	(706) 733-3445	R&L Voss, LLC
4370 Dodge Street		Dubuque	IA	52003	(563) 583-1398	(563) 583-1669	B Plus-Dubuque, LLC
266 Blairs Ferry Road, NE		Cedar Rapids	IA	52402	(319) 447-4640	(319) 447-4769	Heartland Business Systems, Inc.
2439 2nd Street	Suite 1	Coralville	IA	52241	(319) 351-5119	(319) 351-3595	BP Logic, Inc.
901 E Kimberly Rd	Old Town Mall	Davenport	IA	52807	(563) 388-0808	(563) 391-5848	BP Logic, Inc.
3421 Singing Hills Blvd		Sioux City	IA	51106	(712) 222-1020	(712) 222-1019	Jellyn Jolley, LLC
909 SE Oralabor Road	Suite 104	Ankeny	IA	50021	(515) 289-0800	(515) 289-2397	TAO Enterprises, Inc.
3001 100th Street		Urbandale	IA	50322	(515) 253-9999	(515) 309-3059	TAO Enterprises, Inc.
3570 4th Street SW	Suite 300	Mason City	IA	50401	(641) 903-2612	(641) 903-2613	TAY Enterprises, LLC
217 W Canfield Ave		Coeur D Alene	ID	83815	(208) 772-8400	(208) 772-8411	AMBRO, Inc.
6740 North Glenwood Street		Garden City	ID	83714	(208) 853-5054		Lauzon Plus, LLC
2182 Channing Way		Idaho Falls	ID	83404	(208) 552-0215	(208) 522-3851	Lewis Retail, Inc.
1021 Yellowstone Avenue		Pocatello	ID	83201	(208) 232-2665	(208) 269-7254	Lewis Retail, Inc.
2090 S. Cole Road	Suite #101	Boise	ID	83709	(208) 672-1274	(208) 672-1855	Number 13, LLC
16174 Merchant Way		Nampa	ID	83687	(208) 938-4550	(208) 939-9556	Number 13, LLC
537 Blue Lakes Blvd North		Twin Falls	ID	83301	(208) 961-6002	(208) 944-9754	RT, LLC
352 S. Randall Rd		Elgin	IL	60123	(847) 289-8990	(847) 289-8922	Power Up Batteries, LLC
1492 S. Randall Road	Unit C	Geneva	IL	60134	(630) 313-5700	(630) 313-5701	Power Up Batteries, LLC

Address 1	Address 2	City	State	Zip	Phone Nbr	Fax Nbr	Owners
481 Roosevelt Road		Glen Ellyn	IL	60137	(630) 790-8100	(630) 790-8101	Power Up Batteries, LLC
100A E. Golf Road		Schaumburg	IL	60173	(630) 380-5000	(630) 380-5001	Power Up Batteries, LLC
2088 N. State Route 50		Bourbonnais	IL	60914	(815) 348-7161	(815) 348-7168	Peru Battery, Inc.
1231 West Boughton Road		Bolingbrook	IL	60440	(630) 945-4925	(630) 596-0877	BMD Enterprises, Inc.
6300 W. Grand Ave	Space B	Gurnee	IL	60031	(847) 780-1880	(224) 656-5920	Lasa, LLC
705 West Camp Street		East Peoria	IL	61611	(309) 694-0639	(309) 694-0916	Jeff Hayles & Cara Clemmer
8001 N University	Suite 1-D	Peoria	IL	61615	(309) 693-0567	(309) 693-0678	Jeff Hayles & Cara Clemmer
17958 S. Halsted St		Homewood	IL	60430	(708) 206-9999	(708) 206-9972	Power Innovations, LLC
16205-A S Harlem Ave		Tinley Park	IL	60477	(708) 614-5055	(708) 614-5057	Power Innovations, LLC
2824 Plainfield Rd		Joliet	IL	60435	(815) 600-8102	(815) 600-8149	Powered Access, LLC
300 Avenue of the Cities		East Moline	IL	61244	(309) 764-9555	(309) 716-3275	BP Logic, Inc.
1715 Bradford Lane	Suite #135	Normal	IL	61761	(309) 663-2200	(309) 661-2125	BP Logic, Inc.
1512 E Riverside Blvd		Loves Park	IL	61111	(815) 636-2630	(815) 636-2629	Batteries Plus of Rockford, Inc.
1825 South Perryville Rd	Suite A	Rockford	IL	61112	(815) 226-4505	(815) 226-4704	Batteries Plus of Rockford, Inc.
1565 Dekalb Ave	Suite B	Sycamore	IL	60178	(815) 991-9041	(815) 991-9042	Sycamore Battery, Inc.
3755 S. State Rte. 159		Glen Carbon	IL	62034	(618) 205-8395	(618) 288-8718	All Charged Up, Inc.
1072 Ogden Avenue		Montgomery	IL	60538	(630) 381-0700	(630) 381-0709	Ketten Incorporated
3741 National Rd. E		Richmond	IN	47374	(765) 935-2288	(765) 935-5505	NST Battery, LLC
9655 E. U.S. Highway 36	Suite D	Avon	IN	46123	(317) 273-0687	(317) 273-0698	BPI Enterprises, LLC
1364 S. Rangeline Road		Carmel	IN	46032	(317) 575-8300	(317) 575-8309	BPI Enterprises, LLC
1305 Veterans Pkwy		Clarksville	IN	47129	(812) 913-0081	(812) 913-0083	Sudan, LLC
300 N Burkhardt Rd		Evansville	IN	47715	(812) 475-0972	(812) 475-0976	BPI Enterprises, LLC
105 W Washington Ctr Rd		Ft Wayne	IN	46825	(260) 471-2761	(260) 471-2860	BPI Enterprises, LLC
2300 E County Line Rd		Indianapolis	IN	46227	(317) 865-7710	(317) 865-7712	BPI Enterprises, LLC
4435 LaFayette Rd		Indianapolis	IN	46254	(317) 293-3555	(317) 293-3550	BPI Enterprises, LLC
7325 Pendleton Pike Rd		Indianapolis	IN	46226	(317) 543-9302	(317) 543-9303	BPI Enterprises, LLC
3633 State Road 38 East		Lafayette	IN	47905	(765) 449-8210	(765) 449-8216	BPI Enterprises, LLC
525 W Douglas Rd		Mishawaka	IN	46545	(574) 271-2931	(574) 271-2932	BPI Enterprises, LLC
2640 Conner Street		Noblesville	IN	46060	(317) 219-0007	(317) 219-0009	BPI Enterprises, LLC
2233 South 3rd St		Terre Haute	IN	47802	(812) 234-3804	(812) 234-0635	BPI Enterprises, LLC
1435 North National Road		Columbus	IN	47201	(812) 669-2400	(812) 669-1275	CZR, LLC
1519 West 81st Avenue		Merrillville	IN	46410	(219) 261-5200	(219) 261-5201	CZR, LLC
813 W. Lincoln Hwy	Suite A	Schererville	IN	46375	(219) 464-1800		B.P.B. #632 Schererville, LLC
2307 LaPorte Ave	Suite 3	Valparaiso	IN	46383	(219) 531-0300		B.P.B. #630 VALPARAISO LLC
4343 S Franklin St		Michigan City	IN	46360	(219) 879-7394	(219) 879-7398	Northern Indiana Battery, Inc.
13408 Metcalf Ave		Overland Park	KS	66213	(913) 897-4200	(913) 897-4212	Power Up, Inc.
15135 W 119th St		Olathe	KS	66062	(913) 390-6601	(913) 390-6603	K-Rod, Inc.
15323 W 67th Street		Shawnee	KS	66217	(913) 268-4646	(913) 268-4676	K-Rod, Inc.
4911 Outer Loop	Suite E	Louisville	KY	40219	(502) 969-1555	(502) 969-1532	Sudan, LLC
12899 Shelbyville Rd		Louisville	KY	40243	(502) 253-0300	(502) 253-0887	Sudan, LLC
4600 Shelbyville Road	Suite 404	Louisville	KY	40207	(502) 749-4111	(502) 749-4187	Sudan, LLC
6504 Bardstown Road		Louisville	KY	40291	(502) 239-7323	(502) 239-7324	Sudan, LLC

Address 1	Address 2	City	State	Zip	Phone Nbr	Fax Nbr	Owners
5194 Hinkleville Rd	Suite 105	Paducah	KY	42001	(270) 984-1354	(270) 984-1355	VR PwrLum, LLC
1150 US 31W		Bowling Green	KY	42101	(270) 393-8880	(270) 393-8882	Preferred Premium Products, Inc.
948 N. Mulberry Street		Elizabethtown	KY	42701	(270) 982-5591	(270) 982-5593	Preferred Premium Products, Inc.
4392 S. Highway 27		Somerset	KY	42501	(606) 802-2689	(606) 802-2691	Preferred Premium Products, Inc.
1503 Gause Blvd		Slidell	LA	70458	(985) 214-9095	(985) 214-9097	Barquero Slidell Corporation
2809 Louisville Avenue	Suite 1	Monroe	LA	71201	(318) 855-8260	(318) 855-8264	B&M Batteries/Lights, Inc.
7230 Youree Dr	Suite 108	Shreveport	LA	71105	(318) 797-0161	(318) 797-0162	Power Up Products, LLC
6555 Siegen Lane	Suite 4	Baton Rouge	LA	70809	(225) 615-8324	(225) 615-8387	KTL, Inc.
405B Broadway		Saugus	MA	01906	(781) 233-7587	(781) 233-7588	MB & JA, LLC
173A Cambridge Rd		Woburn	MA	01801	(781) 933-9093	(781) 933-9793	Silver Hill Energized Products, LLC
999 Fall River Avenue		Seekonk	MA	02771	(508) 557-1481	(508) 557-1458	Tripp Services, Inc.
42 Watkins Park Dr		Upper Marlboro	MD	20774	(301) 218-1630	(301) 218-1632	Batteries of Bowie, Inc.
1045 Rockville Pike		Rockville	MD	20852	(301) 738-0606	(301) 738-3795	M M B Battery Co.
11813 Reisterstown Rd.		Reisterstown	MD	21136	(410) 928-4800	(410) 648-4028	Batteries & Bulbs of Baltimore, LLC
29 E. Padonia Road		Timonium	MD	21093	(410) 628-7999	(410) 648-4028	Batteries & Bulbs of Baltimore, LLC
44940 St. Andrews Church Road	Unit D	California	MD	20619	(301) 737-2306	(301) 737-2491	MasonArcher Corporation
915 Washington Blvd		Laurel	MD	20707	(301) 456-0588	(301) 456-0589	MASCHA Holdings, LLC
1064 Brighton Ave	Suite C	Portland	ME	04102	(207) 613-9869	(207) 613-9872	Litlhouse Holdings, Inc.
31044 Gratiot Avenue		Roseville	MI	48066	(586) 200-2169	(586) 200-2197	G&L PowerUp, Inc.
4041 N Euclid Ave	Suite C	Bay City	MI	48706	(989) 667-8722	(989) 667-8723	Lombro Company, LLC
2930 McCarty Rd	P.O. Box 5323	Saginaw	MI	48603	(989) 497-8288	(989) 497-8289	Lombro Company, LLC
2450 S Center Rd	Suite A	Burton	MI	48519	(810) 744-4140	(810) 744-4142	Flint Batteries LLC
4205 Miller Road	#C14-15	Flint	MI	48507	(810) 620-0064	(810) 265-7522	DS3 Ventures, LLC
1401 N. West Avenue		Jackson	MI	49202	(517) 513-6070	(517) 789-9374	DS3 Ventures, LLC
3415 E Saginaw St	Suite I	Lansing	MI	48912	(517) 203-0100	(517) 203-4146	DS3 Ventures, LLC
706 N Mission St		Mount Pleasant	MI	48858	(989) 779-0800	(989) 773-9329	DS3 Ventures, LLC
3575 Alpine Ave NW		Walker	MI	49544	(616) 647-0100	(616) 647-8590	DS3 Ventures, LLC
43442 West Oaks Dr.		Novi	MI	48377	(248) 671-3699	(248) 671-3698	Hat Over Fence, LLC
31005 John R Road		Madison Heights	MI	48071	(248) 565-8483	(248) 565-8578	Technical Supplies & Services, Inc.
1600 S. Saginaw Rd		Midland	MI	48640	(989) 423-0052	(989) 423-0056	Hunter Family Enterprises, LLC
30760 Orchard Lake Rd		Farmington Hills	MI	48334	(248) 737-9140	(248) 737-9142	Kaplan Enterprises, LLC
41600 Ann Arbor Rd		Plymouth	MI	48170	(734) 254-9815	(734) 254-9817	Kaplan Enterprises, LLC
3120 Packard Rd		Ann Arbor	MI	48108	(734) 975-2441	(734) 975-2469	BP Venture Partners, LLC
1964 Mall Place, Suite 1980		Benton Harbor	MI	49022	(269) 925-7374	(269) 925-7380	BP Investors, LLC
3082 44th Street SW		Grandville	MI	49418	(616) 301-0300	(616) 301-1900	BP Investors, LLC
386 Bay Park Dr		Holland	MI	49424	(616) 396-9914	(616) 396-9915	BP Investors, LLC
3031 28th Street SE		Kentwood	MI	49512	(616) 575-0500	(616) 575-0700	BP Investors, LLC
5839 Harvey St		Norton Shores	MI	49444	(231) 747-9168	(231) 747-9171	BP Investors, LLC
5228 S Westnedge Ave		Portage	MI	49002	(269) 553-2355	(269) 553-2357	BP Investors, LLC
15611 S Helmer Rd		Battle Creek	MI	49015	(269) 965-6733	(269) 965-6734	Grant Battery LLC
3371 South Airport Road West		Traverse City	MI	49684	(231) 421-9104	(231) 421-9103	NineFold Incorporated
15445 Cedar Ave		Apple Valley	MN	55124	(952) 891-2300	(952) 891-2304	G2, LLC

Address 1	Address 2	City	State	Zip	Phone Nbr	Fax Nbr	Owners
1348 Town Centre Drive		Eagan	MN	55123	(651) 209-9600	(651) 209-2777	G2, LLC
9840 Lyndale Ave South		Bloomington	MN	55420	(952) 881-0747	(952) 881-3613	Day Investments, LLC
952 Prairie Center Drive		Eden Prairie	MN	55344	(952) 259-0000	(952) 259-0002	Day Investments, LLC
5717 Excelsior Blvd		St Louis Park	MN	55416	(952) 929-6699	(952) 929-4821	Day Investments, LLC
967 Lake Street South		Forest Lake	MN	55025	(651) 272-5656		MN Power Solutions, Inc.
8654 Central Ave NE		Blaine	MN	55434	(763) 784-3080	(651) 604-6693	CMD Properties, Inc.
2832 White Bear Avenue		Maplewood	MN	55109	(651) 770-7451	(651) 604-6693	CMD Properties, Inc.
2215 Snelling Avenue N		Roseville	MN	55113	(651) 636-4200	(651) 604-6693	CMD Properties, Inc.
1268 S. Robert Street		West St. Paul	MN	55118	(651) 450-7756		CMD Properties, Inc.
1480 Weir Dr	STE 200	Woodbury	MN	55125	(651) 714-4846	(651) 604-6693	CMD Properties, Inc.
3193 Northdale Blvd.		Coon Rapids	MN	55433	(763) 331-3700	(651) 604-6693	Future Plus Batteries, Inc.
18180 Zane Street NW		Elk River	MN	55330	(763) 274-2175	(651) 604-6693	Future Plus Batteries, Inc.
2710 2nd Street South		Saint Cloud	MN	56301	(320) 240-2332	(320) 240-2333	K & M Associates, Inc.
27 N. Benton Drive	Suite 27	Sauk Rapids	MN	56379	(320) 230-2332	(320) 257-8271	K & M Associates, Inc.
111 Star Street		Mankato	MN	56001	(507) 344-1500	(507) 344-4350	BPB, LLC
1100 West Frontage Road	Suite 150	Owatonna	MN	55060	(507) 414-5404	(507) 414-5406	BPB, LLC
3750 West River Pkwy NW		Rochester	MN	55901	(507) 282-5767	(507) 282-5870	BPB, LLC
923 Washington Street		Brainerd	MN	56401	(218) 824-8888	(218) 824-8889	North Central Battery, Inc.
7808 Lakeland Ave North		Brooklyn Park	MN	55445	(763) 424-5506	(763) 424-7775	Bat 19, Inc. transfer to Wilson2
13650 Grove Drive		Maple Grove	MN	55311	(763) 416-9933	(763) 416-9988	Bat 19, Inc. transfer to Wilson2
4404 Nathan Lane N		Plymouth	MN	55442	(763) 577-9830	(763) 557-6693	Bat 19, Inc. transfer to Wilson2
4769 Miller Trunk Hwy		Hermantown	MN	55811	(218) 723-1363	(218) 723-8139	Bat 34, Inc.
1102 Washington Square		Washington	MO	63090	(636) 900-9500	(636) 900-9030	2Seam Enterprises, LLC
1922 Missouri Blvd.	Suite F	Jefferson City	MO	65109	(573) 635-5125	(573) 635-5059	SnH, Inc.
805 E. Nifong Blvd	Suite B	Columbia	MO	65201	(573) 443-4660	(573) 443-4667	Namaste Ventures, LLC
2216 S. Campbell		Springfield	MO	65807	(417) 823-8060	(417) 823-8832	Even Acclivity, LLC
2648 N. Kansas Expressway		Springfield	MO	65803	(417) 831-2420	(417) 831-2470	Even Acclivity, LLC
8041 Watson Rd		Webster Groves	MO	63119	(314) 962-2237	(314) 962-2664	RJE, Inc.
3709 South Noland Road	Suite C	Independence	MO	64055	(816) 336-1590	(816) 336-1591	DSR Partners, Inc.
3680 Sangani Blvd	Suite B2	D'Iberville	MS	39540	(228) 273-0996	(228) 200-0014	The Barquero D'Iberville Corporation
3203 Hardy St.	Suite A	Hattiesburg	MS	39401	(601) 255-5209	(601) 255-5506	The Barquero Retail Corporation
3999 N. Gloster St	Suite C	Tupelo	MS	38804	(662) 205-4388	(662) 205-4495	BK Batteries, LLC
5218 Goodman Road	Suite 103	Olive Branch	MS	38654	(662) 874-5032	(662) 420-7921	Gray Company of Tennessee
7111 Southerest Parkway		Southaven	MS	38671	(662) 772-5150	(662) 772-5155	Gray Company of Tennessee
381 Ridge Way		Flowood	MS	39232	(601) 500-5500	(855) 251-7339	JC Langley, LLC
2312 10th Ave South		Great Falls	MT	59405	(406) 761-1238	(406) 452-9114	Big Sky Battery, LLC
3091 N Sanders St	Suite A	Helena	MT	59602	(406) 442-6323	(406) 442-6228	Big Sky Battery, LLC
215 W. Idaho Street		Kalispell	MT	59901	(406) 890-2150	(406) 890-2160	Big Sky Battery, LLC
1145 Central Ave		Billings	MT	59102	(406) 896-8014	(406) 256-1462	GTM, LLC
895 Main St	Suite 6	Billings Heights	MT	59105	(406) 702-1250	(406) 702-1168	GTM, LLC
2504 West Main Street, Suite B1		Bozeman	MT	59718	(406) 994-0044	(406) 922-0599	GTM, LLC
2100 Stephens Ave	Suite 122	Missoula	MT	59801	(406) 829-8286	(406) 829-8413	GTM, LLC

Address 1	Address 2	City	State	Zip	Phone Nbr	Fax Nbr	Owners
2605 Alamance Road		Burlington	NC	27215	(336) 395-8747	(336) 395-8748	Triad Battery, LLC
2709 Battleground Ave		Greensboro	NC	27408	(336) 286-7004	(336) 286-7008	Triad Battery, LLC
2100 N Main St	Suite 102	High Point	NC	27262	(336) 307-3808	(336) 307-3813	Triad Battery, LLC
636-D South Stratford Rd		Winston-Salem	NC	27103	(336) 999-7998	(336) 842-3585	Triad Battery, LLC
3610 Sycamore Dairy Rd		Fayetteville	NC	28303	(910) 860-1111	(910) 860-2400	Batteries Inc. of Fayetteville
1416 E Franklin Blvd		Gastonia	NC	28054	(704) 865-3447	(704) 865-3441	Batteries Inc. of Fayetteville
514 N Berkeley Blvd		Goldensboro	NC	27534	(919) 778-7344	(919) 778-7345	Batteries Inc. of Fayetteville
4225 Western Blvd	Suite #100	Jacksonville	NC	28546	(910) 938-9400	(910) 938-9402	Batteries Inc. of Fayetteville
5042 Market St	Suite B	Wilmington	NC	28405	(910) 792-1300	(910) 792-1328	Batteries Inc. of Fayetteville
4012 Oleander Dr		Wilmington	NC	28403	(910) 228-5970	(910) 228-5826	Batteries Inc. of Fayetteville
3620 Raleigh Rd Pkwy W		Wilson	NC	27896	(252) 265-9600	(252) 265-9601	Batteries Inc. of Fayetteville
6812 Glenwood Avenue		Raleigh	NC	27612	(984) 233-5353	(984) 233-5354	ALK Investments, LLC
603 Hampton Pointe Blvd	Suite 5	Hillsborough	NC	27278	(919) 296-8250		Tri Bat, LLC
2217-F Matthews Township Pkwy		Matthews	NC	28105	(704) 846-1260	(704) 846-1261	Megacell Energy, LLC
5122 N. Roxboro Rd.	Suite 200	Durham	NC	27704	(919) 864-9303	(919) 864-9314	JJ&M, Inc.
484 River Hwy	Suite D	Mooresville	NC	28117	(704) 235-0540	(704) 235-0541	Victory Lane Ventures, LLC
6036 Bayfield Parkway		Concord	NC	28027	(980) 781-4852	(980) 781-4854	Carolina Battery Supply, Inc.
9934B Rose Commons Dr.		Huntersville	NC	28078	(704) 948-6012	(704) 948-6030	Carolina Battery Supply, Inc.
1863 Hendersonville Rd	Suite 131	Asheville	NC	28803	(828) 277-6776	(828) 277-6710	CHS Enterprises of Asheville, Inc.
61 Weaver Blvd	Suite 115	Weaverville	NC	28787	(828) 237-7300	(828) 277-6710	CHS Enterprises of Asheville, Inc.
9939 Lee Street		Pineville	NC	28134	(704) 889-5420	(704) 889-7031	The Triplette Company
740 SE Greenville Blvd	Suite 500-A	Greenville	NC	27858	(252) 353-8143	(252) 353-8145	Wenger Services, LLC
4950 Arendell Street	Suite C and D	Morehead City	NC	28557	(252) 773-4000	(252) 773-4333	Wenger Services, LLC
2504 M L King Jr Blvd		New Bern	NC	28562	(252) 288-5777	(252) 288-5755	Wenger Services, LLC
433 Reiger Drive	Suite 6	Williston	ND	58801	(701) 713-4345	(701) 713-4180	Williston Batteries, LLC
3306 16th Street, SW		Minot	ND	58701	(701) 838-3366	(701) 838-3381	M&J Power & Lights, Inc.
2119 13th Avenue South	Unit #1	Fargo	ND	58103	(701) 232-3474	(701) 232-2103	Bat 34, Inc.
2501 S. Columbia Rd.		Grand Forks	ND	58201	(701) 772-0092	(701) 772-0180	Bat 34, Inc.
2825 S. 70th Street	Suite 200	Lincoln	NE	68506	(402) 423-0244	(402) 423-0813	M.S.G. Enterprises, Inc.
2606 S. 132nd Street	Sherwood Plz #101	Omaha	NE	68144	(402) 933-5588	(402) 933-5585	Dakota Sky, Inc.
2201 N. 90th Street	Suite 121	Omaha	NE	68134	(402) 572-1171	(402) 573-6914	Dakota Sky, Inc.
8920 S. 71st Plaza	Suite #101	Papillion	NE	68133	(402) 505-5464	(402) 505-8628	Dakota Sky, Inc.
239 Loudon Rd.	Unit 2	Concord	NH	03301	(603) 333-2915	(603) 333-2916	Mac Rose Solutions, Inc.
464 S Willow St		Manchester	NH	03103	(603) 621-0100	(603) 621-0300	Horizon Group, Inc.
317 Amherst St		Nashua	NH	03063	(603) 883-5060	(603) 883-8041	Horizon Group, Inc.
2001 Woodbury Avenue	Suite #1	Newington	NH	03801	(603) 433-1677	(603) 433-1676	Horizon Group, Inc.
380 S Broadway		Salem	NH	03079	(603) 685-0293	(603) 685-0296	Horizon Group, Inc.
43 Main Street		West Lebanon	NH	03784	(603) 790-8479		Gatsby Malcom, LLC
1215 Route 73		Mt. Laurel	NJ	08054	(856) 638-0778	(856) 638-0770	Kards Solutions, Inc.
900 Tilton Road	Suite #3	Northfield	NJ	08225	(609) 277-7515	(609) 277-7746	TBW2, LLC
2121 Route 70 W		Cherry Hill	NJ	08002	(856) 595-4256	(856) 879-9987	Androlewicz Enterprises, LLC
2200 B Route 22 East		Union	NJ	07083	(908) 686-2005	(908) 686-0048	Cartagena Group, LLC

Address 1	Address 2	City	State	Zip	Phone Nbr	Fax Nbr	Owners
513 Route 22 West		North Plainfield	NJ	07060	(908) 279-6497	(908) 279-6718	Land of Hope and Dreams, LLC
950 Route 33	Century Plaza	Hamilton Township	NJ	08690	(609) 277-2221	(609) 277-2991	MCS BPB Enterprises, LLC
5501 Route 42	Suite 11	Turnersville	NJ	08012	(856) 302-0566	(856) 245-7401	MCS BPB Enterprises, LLC
1302 South Canal Street	Suite D	Carlsbad	NM	88220	(575) 725-5717		MH5500 L.L.C.
1609 St Michaels Dr		Santa Fe	NM	87505	(505) 992-1181	(505) 992-1715	Jeffrey M. Hays
2415 Southern Blvd SE	Suite 104	Rio Rancho	NM	87124	(505) 633-8061		Baker Technologies, LLC
4000 San Mateo Blvd NE		Albuquerque	NM	87110	(505) 888-1666	(505) 872-0771	Desert Mooring, LLC
2240 E. Lohman Ave	Suite 3	Las Cruces	NM	88001	(575) 525-2355	(575) 525-2356	Battery Power, LLC
1381 W. Sunset Road	Suite 110	Henderson	NV	89014	(702) 852-2015	(702) 947-4879	Cobblestone Group II LLC
4870 Blue Diamond Rd.	Suite #170	Las Vegas	NV	89139	(702) 221-0257	(702) 221-0259	Cobblestone Group II LLC
731 S. Rainbow Blvd	Suite A	Las Vegas	NV	89145	(702) 822-6940	(702) 822-6942	Cobblestone Group II LLC
2370 E Serene Ave	#220-3	Las Vegas	NV	89123	(702) 221-9315	(702) 364-8087	Cobblestone Group II LLC
2546 E. Craig Rd	Building 4, Suite 115	North Las Vegas	NV	89030	(702) 852-1776	(702) 947-4879	Cobblestone Group II LLC
1400 S Carson St		Carson City	NV	89702	(775) 884-0566	(775) 884-2992	BP NEVADA, INC.
4898 S Virginia St		Reno	NV	89502	(775) 825-0566	(775) 825-2966	BP NEVADA, INC.
10580 N. McCarran Blvd	Suite 113	Reno	NV	89503	(775) 624-0566	(775) 624-0560	BP NEVADA, INC.
670 E Prater Way	Suite #102	Sparks	NV	89431	(775) 331-0566	(775) 331-0564	BP NEVADA, INC.
300 Tarrytown Road		White Plains	NY	10607	(914) 997-9400	(914) 997-9401	Corpus NY, LLC
4496 State Route 725	Suite #3	Bellbrook	OH	45305	(937) 433-9222	(937) 433-8023	NST Battery, LLC
12131 Royal Point Dr		Cincinnati	OH	45249	(513) 683-6300	(513) 683-9732	NST2 Battery, LLC
7850 Beechmont Ave		Cincinnati	OH	45255	(513) 474-0895	(513) 474-1942	NST2 Battery, LLC
9810 Colerain Avenue		Cincinnati	OH	45251	(513) 401-9800	(513) 407-6486	NST2 Battery, LLC
206 Springboro Pike		Dayton	OH	45449	(937) 938-5177	(937) 938-5467	NST Battery, LLC
3510 York Commons Blvd		Dayton	OH	45414	(937) 424-2525	(937) 387-0687	NST Battery, LLC
1780 N. Bechtle Ave		Springfield	OH	45504	(937) 398-0044	(937) 398-0043	NST Battery, LLC
7431 Tylersville Road		West Chester	OH	45069	(513) 456-7778	(513) 644-9071	NST2 Battery, LLC
3900 Medina Rd	Suite K	Akron	OH	44333	(330) 670-6161	(330) 670-9208	High Energy Associates, LLC
746 East Aurora Rd	Suite #12	Macedonia	OH	44056	(330) 467-8100	(330) 467-8115	High Energy Associates, LLC
6365 Mayfield Rd		Mayfield Heights	OH	44124	(440) 449-5555	(440) 446-1533	High Energy Associates, LLC
7611 W. Ridgewood Drive	Unit 913	Parma	OH	44129	(440) 481-3246	(440) 882-3983	High Energy Associates III, LLC
3128 Secor Road		Toledo	OH	43606	(419) 724-5888	(419) 724-5889	BP Ventures Ohio, LLC
4607 Great Northern Blvd		North Olmsted	OH	44070	(440) 276-1126	(440) 716-0183	Charge-In, LLC
4887 Princeton Rd		Hamilton	OH	45011	(513) 737-2444	(513) 737-3367	Todd Taylor, Inc.
1601 S. Broadway	Suite B	Edmond	OK	73013	(405) 796-7587	(405) 509-6772	Batteries Sooner, LLC
1322 NW Sheridan Road		Lawton	OK	73505	(580) 248-7587	(580) 248-2255	Batteries Sooner, LLC
7201 S. E. 29th	Suite 202	Midwest City	OK	73110	(405) 582-7587	(405) 582-7590	Batteries Sooner, LLC
2401 West Main St.	Suite 104	Norman	OK	73069	(405) 455-7587	(405) 701-1609	Batteries Sooner, LLC
6315 N. May Avenue	Suite A	Oklahoma City	OK	73112	(405) 842-7587	(405) 842-7577	Batteries Sooner, LLC
7500 S. Santa Fe	Suite 200	Oklahoma City	OK	73139	(405) 631-7587	(405) 635-1235	Batteries Sooner, LLC
2313 W. Kenosha Street		Broken Arrow	OK	74012	(918) 252-7587	(918) 252-7586	Peak Batteries of Oklahoma, LLC
6554 E. 41st Street		Tulsa	OK	74145	(918) 627-1600	(918) 627-0402	Peak Batteries of Oklahoma, LLC
200 NE Terry Lane	Unit B	Grants Pass	OR	97526	(541) 622-3233	(541) 622-3235	Specific Energy Corp

Address 1	Address 2	City	State	Zip	Phone Nbr	Fax Nbr	Owners
3599 Crater Lake Hwy		Medford	OR	97504	(541) 858-5103	(541) 776-4972	Specific Energy Corp
3001 NW Stewart Pkwy	Suite 106	Roseburg	OR	97471	(541) 673-7587	(541) 673-5075	Specific Energy Corp
12825 SW Canyon Rd		Beaverton	OR	97005	(503) 646-8892	(503) 643-5093	The Battery Source, Inc.
3194 N. Hwy 97	Suite 100	Bend	OR	97703	(541) 241-1130	(541) 241-1132	The Battery Source, Inc.
1755 NW 9th Street	Suite 103	Corvallis	OR	97330	(541) 452-8596	(541) 452-8598	The Battery Source, Inc.
420 Coburg Rd		Eugene	OR	97401	(541) 349-5030	(541) 349-5026	The Battery Source, Inc.
2438 SE Burnside		Gresham	OR	97080	(503) 328-0009	(503) 328-0012	The Battery Source, Inc.
2505 NE Town Center Drive		Hillsboro	OR	97006	(503) 601-0230	(503) 601-0238	The Battery Source, Inc.
4812 SE 82nd Ave		Portland	OR	97266	(503) 771-1377	(503) 771-1371	The Battery Source, Inc.
3008 NE Broadway St		Portland	OR	97232	(503) 546-4962	(503) 546-4963	The Battery Source, Inc.
3045 Lancaster Drive NE		Salem	OR	97305	(503) 581-4890	(503) 315-5704	The Battery Source, Inc.
7715 SW Nyberg St	Suite A	Tualatin	OR	97062	(503) 783-3252	(503) 783-3294	The Battery Source, Inc.
110 Lincoln Highway		Fairless Hills	PA	19030	(267) 583-3090	(267) 583-3089	Batteries of Bucks, LLC
777 Bethlehem Pike	Suite A	Montgomeryville	PA	18936	(215) 749-2199	(215) 710-1299	Thale Enterprises, Inc.
509 York Rd		Warminster	PA	18974	(215) 672-5200	(215) 672-5202	Thale Enterprises, Inc.
2501 Gettysburg Rd		Camp Hill	PA	17011	(717) 730-7472	(717) 730-3745	Faroth Corporation
4513 Jonestown Rd		Harrisburg	PA	17109	(717) 652-1584	(717) 540-1945	Faroth Corporation
984 Loucks Rd		York	PA	17404	(717) 718-3547	(717) 718-3549	Faroth Corporation
3021 Lehigh St		Allentown	PA	18103	(484) 221-8946	(610) 351-0280	Batteries, Batteries, Batteries, Inc.
154 Baltimore Pike		Springfield	PA	19064	(610) 543-1672	(610) 543-1657	Edward McAvoy
3023 Columbia Ave		Lancaster	PA	17603	(717) 393-2200	(717) 393-1987	DL Myers, Inc.
96 Sofia Dr.	Suite 103	Shrewsbury	PA	17361	(717) 996-4100	(717) 393-1987	DL Myers, Inc.
374 Washington Road		Washington	PA	15301	(724) 225-7587		Power Orr Light, LLC
3467 William Penn Hwy		Pittsburgh	PA	15235	(412) 380-1388	(412) 380-7225	EFNY Corporation
3912 Library Rd		Pittsburgh	PA	15234	(412) 207-8362	(412) 531-0390	EFNY Corporation
4808 McKnight Rd		Pittsburgh	PA	15237	(412) 366-3658	(412) 366-3676	EFNY Corporation
402 Home Drive		Pittsburgh	PA	15275	(412) 787-1998	(412) 787-0393	EFNY Corporation
4225 Peach St.		Erie	PA	16509	(814) 315-6006	(814) 315-6105	ETV Battery, Light and Repair, LLC
3330 North Fifth Street Highway		Reading	PA	19605	(610) 929-1063	(610) 929-1065	Atlas Batteries I, LTD
B 50 Calle Rio Bayamon	Suite 45	Bayamon	PR	00961	(787) 995-6898	(787) 995-6899	Unlimited Group Corporation
Ave Luis Munoz Marin AX-9		Caguas	PR	00725	(787) 743-6898	(787) 743-6899	Unlimited Group Corporation
335 Carr #2 k.m. 84.7 Carrizales	Suite 5	Hatillo	PR	00659	(787) 820-8044	(787) 898-1543	Unlimited Group Corporation
Bo. Guanajibo carr #2	KM 159 hm4/Sector La Loma	Mayaguez	PR	00680	(787) 986-7878	(787) 986-7898	Unlimited Group Corporation
2350 Ponce By Pass	Suite 15	Ponce	PR	00731	(787) 812-3295	(787) 812-3889	Unlimited Group Corporation
Ave Jesus T. Piñero 276 University Gardens		San Juan	PR	00927	(939) 716-0004	(939) 716-0006	Unlimited Group Corporation
540 South Pike West		Sumter	SC	29150	(803) 934-8605	(803) 934-9516	Batteries Plus of Sumter, LLC
650-A Pamplico Hwy		Florence	SC	29505	(843) 679-2240	(843) 679-2241	Batteries Inc. of Fayetteville
850 Jason Blvd	Suite A	Myrtle Beach	SC	29577	(843) 839-0048	(843) 839-0451	Batteries Inc. of Fayetteville
950 Highway 17 North	Suite C	North Myrtle Beach	SC	29582	(843) 663-1777	(843) 663-1770	Batteries Inc. of Fayetteville
2215 N Cherry Rd		Rock Hill	SC	29732	(803) 328-1110	(803) 328-1133	Batteries Inc. of Fayetteville
3314 North Main Street	Suite B	Anderson	SC	29621	(864) 225-1111	(864) 225-5100	Batteries Upstate, Inc.
1067 Tiger Blvd	Suite 50	Clemson	SC	29631	(864) 722-5211	(864) 654-7554	Batteries Upstate, Inc.

Address 1	Address 2	City	State	Zip	Phone Nbr	Fax Nbr	Owners
531 Bypass 72 NW		Greenwood	SC	29646	(864) 396-5810	(864) 377-8028	Batteries Upstate, Inc.
2645 Whiskey Rd	Suite 111	Aiken	SC	29803	(803) 644-4994	(803) 644-4901	R&L Voss, LLC
2060 W Main Street	Suite 1	Rapid City	SD	57702	(605) 718-6000	(605) 863-9499	Rushmore Distributing, Inc.
3300 S. Shirley Avenue		Sioux Falls	SD	57106	(605) 362-1050	(605) 362-0527	OneSky, Inc.
3733 Nolensville Pike		Nashville	TN	37211	(615) 331-1551	(615) 331-1858	Battery Source, LLC
6115 Stage Road		Bartlett	TN	38134	(901) 384-1933	(901) 384-1937	Gray Company of Tennessee
465 N. Germantown Parkway	Suite 114	Cordova	TN	38018	(901) 752-0963	(901) 752-0629	Gray Company of Tennessee
100 Vann Drive	Suite K	Jackson	TN	38305	(731) 660-0600	(731) 660-0695	Gray Company of Tennessee
766 Mt. Moriah		Memphis	TN	38117	(901) 821-0977	(901) 821-0955	Gray Company of Tennessee
1545 Nashville Pike	Suite 104	Gallatin	TN	37066	(615) 461-8065	(615) 461-8067	Bigship Enterprise, Inc.
1002 Glenbrook Way	Suite 210	Hendersonville	TN	37075	(615) 590-8988	(615) 590-8985	Second Ship Enterprise, LLC
535 N Thompson Lane		Murfreesboro	TN	37129	(615) 895-4446	(615) 890-6658	Stay Charged Enterprises, Inc.
2512 A Wilma Rudolph Blvd		Clarksville	TN	37040	(931) 647-5200	(931) 647-5290	Preferred Premium Products, Inc.
207 Forks of the River Parkway		Sevierville	TN	37862	(865) 365-4213		Roskowski Group LLC
4816 Main Street	Suite J	Spring Hill	TN	37174	(615) 637-6337		Power Cells & More LLC
220 Hamilton Crossing Dr		Alcoa	TN	37701	(865) 983-1901	(865) 692-2028	Williams Batteries, LLC
1925 Gunbarrel Rd	Suite A-101	Chattanooga	TN	37421	(423) 499-1199	(423) 499-1196	Williams Batteries, LLC
615 Paul Huff Parkway	Suite 101	Cleveland	TN	37312	(423) 790-7761	(423) 790-7763	Williams Batteries, LLC
560 S. Jefferson Avenue	Suite #12	Cookeville	TN	38501	(931) 452-9095	(931) 452-9096	Williams Batteries, LLC
5550 Hwy 153	Suite #101	Hixson	TN	37343	(423) 874-1050	(423) 874-1052	Williams Batteries, LLC
222 N Peters Rd		Knoxville	TN	37923	(865) 692-0002	(865) 692-2028	Williams Batteries, LLC
6667 Clinton Highway		Knoxville	TN	37912	(865) 276-6006	(865) 692-2028	Williams Batteries, LLC
631 N. Harvey Mitchell Parkway	#141	Bryan	TX	77807	(979) 485-2888	(888) 979-8122	Kingdom Alliance, LLC
2001 Texas Avenue S	Suite 600	College Station	TX	77840	(979) 696-7587	(888) 979-8122	Kingdom Alliance, LLC
403 W Grand Parkway South	Suite E	Katy	TX	77494	(281) 693-7587	(888) 979-8122	Kingdom Alliance, LLC
4002 FM 762	Suite #500	Rosenberg	TX	77469	(832) 595-8174	(888) 979-8122	Kingdom Alliance, LLC
3138 S. Padre Island Drive	Suite 104	Corpus Christi	TX	78415	(361) 444-0061		GlacierBeach, LLC
360 W. Central Texas Expressway	Suite 201	Harker Heights	TX	76548	(254) 690-0115	(254) 690-0118	GlacierBeach, LLC
3809 South General Bruce Drive	Suite 107	Temple	TX	76502	(254) 773-4555	(254) 773-4550	GlacierBeach, LLC
4300 W Waco Dr	Bldg A, Suite 3	Waco	TX	76710	(254) 776-6767	(254) 776-6771	GlacierBeach, LLC
13740 East Freeway	Suite C	Houston	TX	77015	(346) 980-5959	(346) 980-5969	ZPA Corporation
420 E. Pleasant Run Road	Suite 346	Cedar Hill	TX	75104	(469) 272-4533	(972) 291-5616	The Redeemed Team, LLC
1980 N Central Expressway	Suite 200	McKinney	TX	75070	(972) 548-7740	(972) 548-7955	Dannelly Group, LLC
4054 N US Hwy 75		Sherman	TX	75090	(903) 893-8881	(903) 893-8887	Dannelly Group, LLC
2200 N. Frazier St.	Suite 110	Conroe	TX	77303	(936) 788-2852	(936) 788-2852	FordFam Enterprises, LLC
6531 FM 1488	Suite 315	Magnolia	TX	77354	(346) 248-5115	(346) 248-5115	JaBcor, Inc.
1130 North Fielder Road		Arlington	TX	76012	(817) 274-1400	(817) 274-1405	B. Garth Co.
5825 Camp Bowie Blvd		Fort Worth	TX	76107	(817) 377-2288	(817) 569-1615	B. Garth Co.
5733 South Hulen St		Fort Worth	TX	76132	(817) 744-7636	(817) 744-7656	B. Garth Co.
5041 Davis Blvd		North Richland Hills	TX	76180	(817) 428-8658	(817) 428-4027	B. Garth Co.
2529 S. Main Street	Suite 104	Weatherford	TX	76087	(817) 599-8700	(817) 599-8709	B. Garth Co.
19970 Eva Street	Suite 102	Montgomery	TX	77356	(936) 597-4040		USS BB-58 LLC

Address 1	Address 2	City	State	Zip	Phone Nbr	Fax Nbr	Owners
11930 Barker Cypress Rd	Suite 400	Cypress	TX	77433	(281) 612-9919	(346) 246-3699	G & S Batteries, LLC
5073 S Coulter St	Suite 1	Amarillo	TX	79119	(806) 358-7667	(806) 322-0108	Quintik, Inc.
3301 I-40 West		Amarillo	TX	79109	(806) 322-3666	(806) 322-3664	Quintik, Inc.
445 SW Wilshire Blvd.	Suite B	Burleson	TX	76028	(817) 447-5500	(817) 447-5591	RVA Industries, Inc.
1205 E. Debbie Lane	Suite 113	Mansfield	TX	76063	(817) 225-4100	(817) 473-4701	Malquart Enterprises, LLC
5636 North Tarrant Pkwy	Suite 106	Fort Worth	TX	76244	(817) 656-4471	(817) 656-4473	Merritco, L.L.C.
6076 Azle Avenue	Suite 300	Lake Worth	TX	76135	(817) 585-1391	(817) 585-1393	Merritco, L.L.C.
1105 Dallas Dr		Denton	TX	76205	(940) 387-2040	(940) 387-4514	Cobblestone Group II LLC
1093 W. Main St	Suite #222	Lewisville	TX	75067	(972) 219-7333	(972) 353-2718	Cobblestone Group II LLC
4940 W. University Drive	Suite 80	Prosper	TX	75078	(469) 481-6870		Cobblestone Group II LLC
2510 Smith Ranch Rd	Suite 104	Pearland	TX	77584	(713) 436-5740	(713) 436-5466	Narayanaya, Inc.
6800 Gateway East	Suite 1C	El Paso	TX	79915	(915) 881-0744	(915) 881-0746	Gorman Batteries, LLC
1220 N Town East Blvd	Suite 200	Mesquite	TX	75150	(972) 270-8000	(972) 270-8038	Zeus Partners, LLC
7915 Burnet Rd		Austin	TX	78757	(512) 419-7587	(512) 419-1430	Patel Associates, Inc.
2300 S. Lamar	Suite #103	Austin	TX	78704	(512) 416-1191	(512) 416-7661	Patel Associates, Inc.
2541 South IH-35	Suite 600	Round Rock	TX	78664	(512) 600-7800	(512) 600-7801	Patel Associates, Inc.
4151 Belt Line Rd	Ste #102	Addison	TX	75001	(972) 716-4144	(972) 716-4176	Sydmor, Inc.
210 Central Expressway South	Suite 91	Allen	TX	75013	(972) 390-9300	(972) 390-9303	Sydmor, Inc.
9100 N. Central Expressway	Suite #107	Dallas	TX	75231	(214) 234-0234	(214) 234-0233	Sydmor, Inc.
1725 North Central Expressway	Suite 101	Plano	TX	75075	(972) 423-6100	(972) 423-8271	Sydmor, Inc.
4568 Hwy 121	Suite 104	Plano	TX	75024	(972) 335-0900	(972) 335-0915	Sydmor, Inc.
2160 N. Coit Rd.	Suite 148	Richardson	TX	75080	(469) 730-2623	(469) 730-2624	Anurag Trading Company
2662 S Gessner Rd		Houston	TX	77063	(713) 785-7587	(713) 785-6995	Batteries Holdings, LP
4774 Beechnut St		Houston	TX	77096	(713) 668-7587	(713) 668-5907	Batteries Holdings, LP
6891-3 Bandera Rd		San Antonio	TX	78238	(210) 647-0103	(210) 647-0158	Power Light Fix, LLC
2367 N.W. Military Hwy		San Antonio	TX	78231	(210) 308-0103	(210) 308-0109	Power Light Fix, LLC
2815 N. Loop 1604 E	Suite 110	San Antonio	TX	78232	(210) 496-0103	(210) 496-0109	Power Light Fix, LLC
11019 Culebra	Suite 103	San Antonio	TX	78253	(210) 688-6500	(210) 688-6501	Power Light Fix, LLC
1242 Austin Highway	Suite 104	San Antonio	TX	78209	(210) 598-0003	(210) 598-0062	Power Light Fix, LLC
9477 FM 1960 Bypass Rd West	Suite 200	Humble	TX	77338	(832) 995-2500	(832) 995-2503	Shookalot, Inc.
3121 N. President George Bush Hwy	Suite 111	Garland	TX	75040	(214) 382-9838	(469) 209-0031	Staples Family Inc.
2014 S Goliad Street	#150	Rockwall	TX	75087	(972) 771-7311	(214) 771-4201	Staples Family Inc.
3430 S. Cooper St		Arlington	TX	76015	(817) 467-0613	(817) 557-2388	Twin Ventures, Inc.
2703 N Beltline Rd		Irving	TX	75062	(972) 256-2073	(972) 252-3775	MTQ Limited Partnership
293 East 3300 South		Salt Lake City	UT	84115	(801) 461-4988	(801) 461-9101	Andi Enterprises, Inc.
6818 S. Redwood Rd		West Jordan	UT	84084	(801) 566-5525	(801) 912-0735	Andi Enterprises, Inc.
770 East Main Street		Lehi	UT	84043	(801) 341-8725	(801) 341-8769	Weatherly, LLC
388 W University Pkwy		Orem	UT	84058	(801) 764-0444	(801) 764-0555	Utah Batteries, LLC
852 W Hill Field Rd	Suite B	Layton	UT	84041	(801) 544-7111	(801) 544-8111	Cobblestone Group II LLC
12575 Rhetski Ln	#102	Riverton	UT	84065	(801) 878-4329	(801) 878-4515	Cobblestone Group II LLC
69 West 10600 South		Sandy	UT	84070	(801) 816-9090	(801) 816-1506	Cobblestone Group II LLC
1055 W Red Cliffs Dr	Suite E	Washington	UT	84780	(435) 627-9933	(435) 627-9938	Cobblestone Group II LLC

Address 1	Address 2	City	State	Zip	Phone Nbr	Fax Nbr	Owners
2662 S 5600 W	Suite 103	West Valley City	UT	84120	(801) 965-6000	(801) 965-6000	Cobblestone Group II LLC
6715 Backlick Rd.	Suite E	Springfield	VA	22150	(571) 529-5330	(571) 529-5334	Springfield Batteries Supply, Inc.
3412 W. Mercury Blvd.		Hampton	VA	23666	(757) 864-0315	(757) 864-0318	Livewire Battery Supply, Inc.
663 Turnberry Blvd	Suite G	Newport News	VA	23602	(757) 874-7090	(757) 874-7092	Livewire Battery Supply, Inc.
4655 Monticello Avenue	Suite 101	Williamsburg	VA	23188	(757) 345-6967	(757) 345-6968	Livewire Battery Supply, Inc.
1918 William St		Fredericksburg	VA	22401	(540) 371-5500	(540) 372-6914	M M B Battery Co.
13580 Minnieville Rd		Woodbridge	VA	22192	(703) 494-8400	(703) 497-7213	M M B Battery Co.
44110 Ashburn Shopping Plaza, #192	Unit #192	Ashburn	VA	20147	(571) 291-2916	(571) 291-9602	Chesterfield Consulting Limited, LLC
3690 King St	Suite D	Alexandria	VA	22302	(703) 575-7711	(703) 575-4443	Batteries and Lighting Northern Virginia LLC
3915 Centreville Rd	Suite A	Chantilly	VA	20151	(703) 817-1062	(703) 817-1547	Batteries and Lighting Northern Virginia LLC
10689 Sudley Manor Dr	Suite 101	Manassas	VA	20109	(703) 330-7007	(703) 330-7005	Batteries and Lighting Northern Virginia LLC
1020 Battlefield Blvd North		Chesapeake	VA	23320	(757) 548-5800	(757) 548-5387	GEN Aspire LLC
222 West 21st Street		Norfolk	VA	23517	(757) 227-5333	(757) 227-5613	GEN Aspire LLC
6255 College Drive	Suite A-0	Suffolk	VA	23435	(757) 483-1106	(757) 483-8874	GEN Aspire LLC
4336 Virginia Beach Blvd	Suite C	Virginia Beach	VA	23452	(757) 431-1855	(757) 431-2655	GEN Aspire LLC
909 S.E. Everett Mall Way	Ste E-500	Everett	WA	98208	(425) 347-2021	(425) 347-8494	North Seattle Battery Venture, LLC
4028 196th Street SW		Lynnwood	WA	98036	(425) 582-7350	(425) 582-2179	North Seattle Battery Venture, LLC
536 NE Northgate Way		Seattle	WA	98125	(206) 364-0446	(206) 364-1047	North Seattle Battery Venture, LLC
4008 172nd Street NE	Suite D	Arlington	WA	98223	(360) 768-4454	(360) 768-4457	NW Power and Bulb, LLC
1301 W. Bakerview Road	Suite 106	Bellingham	WA	98226	(360) 594-5550	(360) 594-5551	NW Power and Bulb, LLC
321 N. Columbia Center Blvd	Suite C	Kennewick	WA	99336	(509) 783-3400	(509) 783-4600	AMBRO, Inc.
7704 N Division	Suite 3	Spokane	WA	99208	(509) 489-4226	(509) 489-5406	AMBRO, Inc.
11101 E Sprague Ave		Spokane	WA	99206	(509) 924-6645	(509) 924-5322	AMBRO, Inc.
632 S. 9th Avenue		Walla Walla	WA	99362	(509) 529-7001	(509) 529-7055	AMBRO, Inc.
1731 South 1st Street		Yakima	WA	98901	(509) 571-1322	(509) 571-1324	AMBRO, Inc.
1218 NE 88th St	Suite #120	Vancouver	WA	98665	(360) 213-0926	(360) 213-2099	The Battery Source, Inc.
2100A SE 164th Avenue		Vancouver	WA	98683	(360) 448-6003	(360) 448-6005	The Battery Source, Inc.
14917 NE 20th Street		Bellevue	WA	98007	(425) 562-5000	(425) 643-9873	All Purpose Batteries, Inc.
12816 SE 38th Street		Bellevue	WA	98006	(425) 641-2000	(425) 644-1010	All Purpose Batteries, Inc.
31830 Pacific Hwy South		Federal Way	WA	98003	(253) 666-9555	(253) 666-9399	All Purpose Batteries, Inc.
2905 Capital Mall Dr. SW		Olympia	WA	98502	(360) 570-0000	(360) 570-0111	All Purpose Batteries, Inc.
10210 123rd Street Ct. E	Suite A	Puyallup	WA	98374	(253) 770-3313	(253) 770-1501	All Purpose Batteries, Inc.
4051 Tacoma Mall Blvd		Tacoma	WA	98409	(253) 476-2666	(253) 476-2777	All Purpose Batteries, Inc.
17065 Southcenter Pkwy		Tukwila	WA	98188	(206) 575-7539	(206) 575-7549	All Purpose Batteries, Inc.
5626 South 108th Street		Hales Corners	WI	53130	(414) 235-5090	(414) 235-5101	Empty Bee LLC
101 Carmichael Road		Hudson	WI	54016	(715) 808-8424	(715) 808-8953	Moores-Watts B+B, LLC
3115 E Hamilton Ave		Eau Claire	WI	54701	(715) 552-1939	(715) 552-1943	BPB, LLC
1066 Milwaukee Avenue		Burlington	WI	53105	(262) 758-6157	(262) 758-6186	Stoman LLC
4206 Mormon Coulee Road		La Crosse	WI	54601	(608) 782-7340	(608) 782-7343	Little Wolf Battery Co., LLC
2739 Roosevelt Rd.	Suite D	Marinette	WI	54143	(715) 732-5000	(715) 732-5004	Little Wolf Battery Co., LLC
5501 US Hwy 10 East		Stevens Point	WI	54482	(715) 295-0388	(715) 295-0390	Little Wolf Battery Co., LLC
225651 Rib Mountain Drive		Wausau	WI	54401	(715) 355-9201	(715) 355-9286	Little Wolf Battery Co., LLC

Address 1	Address 2	City	State	Zip	Phone Nbr	Fax Nbr	Owners
314 Goff Mountain Rd	Suite #8	Cross Lanes	WV	25313	(304) 776-7006	(304) 776-7007	JW Batteries, LLC
4801 E. 2nd Street	Suite 105	Casper	WY	82609	(307) 333-4420	(307) 333-6107	Led Lithium, LLC
5116 Frontier Mall Dr	Suite #200	Cheyenne	WY	82009	(307) 638-9903	(303) 484-7606	Phaeton Investments, Inc.

FRANCHISE AGREEMENTS SIGNED BUT STORE NOT OPEN AS OF JANUARY 31, 2022

Franchisee	City & State	Phone #	Market
M & L Investment, LLC	Anchorage, AK	907-830-0564	Anchorage, AK
Arizona Tech Group LLC	Scottsdale, AZ	602-561-7770	Norterra, AZ
Arizona Tech Group LLC	Scottsdale, AZ	602-561-7770	Peoria, AZ
Crusaders Investments, Inc.	Scottsdale, AZ	785-217-5475	Scottsdale, AZ
Energized Enterprises, Inc.	Yuma, AZ	928-941-3221	El Centro, CA
David Harshfield	Carlsbad, CA	619-694-6161	Corona, CA
KM Power Enterprises LLC	Lakeside, CA	619-443-7200	El Cajon, CA
William Watts	Aurora, CO	720-949-5412	Denver, CO
BPB 537, LLC	Jacksonville, FL	337-401-8000	Jacksonville, FL
Smartech USA, LLC	Plantation, FL	786-758-1826	Millenia, FL
Irish Plus, LLC	Atlanta, GA	770-262-9976	Dunwoody, GA
Mike N Jac Enterprises, Inc.	Stockbridge, GA	334-703-1561	South Decatur, GA
Number 113, LLC	Boise, ID	208-794-1644	Meridian, ID
Goodman Family Legacy LLC	Chicago, IL	815-325-1245	Chicago, IL
Peru Battery, Inc.	Rockford, IL	815-986-8665	Peru, IL
Grace Management Enterprises IX, LLC	Village of Lakewood, IL	815-382-9659	West Dundee/Algonquin, IL
Ryan Biniak & Raymond Kozicki	West Des Moines, IA	618-663-5400	South Des Moines, IA
Rx Electric LLC	Derby, KS	316-207-1548	East Wichita, KS
Jake Zimmerman and Paul Zimmerman	Lafayette, LA	337-781-9733	Youngsville/Broussard, LA
Cobblestone Group II LLC	Mandeville, LA	817-771-6282	Las Vegas, NV
Mason Archer Enterprises, LLC	California, MD	240-682-5281	Prince Frederick, MD
PJ Investment Services	Bowie, MD	240-508-4465	Bowie, MD
SnH, Inc.	Ashland, MO	630-781-7247	Osage Beach/Ozarks, MS
Tamasi Tech, Inc.	Kirkwood, MO	314-249-3111	Clayton, MO
Nachor Alvarez and Nelson Lopez, Jr.	Nutley, NJ	973-641-9241	Union City, NJ
Nachor Alvarez and Nelson Lopez, Jr.	Nutley, NJ	973-641-9241	Clifton, NJ
L7 Batteries LLC	Huntington, NY	516-997-2569	Huntington, NY
RBP Canton LLC	Canton, OH	330-412-1299	Canton, OH

Franchisee	City & State	Phone #	Market
Lauzon Plus, LLC	North Plains, OR	503-296-1218	Kuna/South Boise, ID
The Battery Source, Inc.	Oregon City, OR	503-348-7817	Oregon City, OR
James J. Scally, Jr.	Garnet Valley, PA	610-716-8949	Brookhaven, PA
Unlimited Group Corporation	Caguas, PR	787-307-9333	Carolina, PR
Nicholas Higham, Kylie Higham, & Michael Nidey	Summerville, SC	812-334-1701	Folly Beach, SC
Luckett Legacy Foundation	Prosper, TX	773-842-2566	Coppel, TX
Ross & Phyllis Girard	Ascutney, VT	603-234-2229	Keene, NH

**LIST OF FORMER FRANCHISEES
as of December 31, 2021**

TRANSFERRED FRANCHISE TO NEW FRANCHISEE

Former Franchisee	City	State	Telephone Number
LCG Enterprises, LLC	Bullhead City	Arizona	928-219-5818
Gold Peak Investments Corp.*	Lafayette	Colorado	720-635-9573
JB Clark #659, Inc.	Tallahassee	Florida	850-509-3155
The Battery Depot, LLC	Marietta (2 stores) Atlanta	Georgia Georgia	404-697-8588
Ketten Incorporated*	Joliet	Illinois	630-542-6782
CLM Diversified, Inc.	Peoria East Peoria	Illinois Illinois	309-645-2860
Tom & Jim, Inc.	Battle Creek	Michigan	517-648-1001
Traverse Bay Batteries, Inc.	Traverse City	Michigan	231-590-8496
HND Battery & Bulb, LLC	Henderson	Nevada	702-497-4889
BMR Associates, LLC	Las Vegas (3 stores)	Nevada	248-752-6277
NLV Battery & Bulb, LLC	North Las Vegas	Nevada	702-497-4889
Ion Cell, LLC	Las Cruces	New Mexico	949-500-1768
Nicholson and Company LLC	Greensboro Winston-Salem High Point Burlington	North Carolina North Carolina North Carolina North Carolina	336-482-7800
Passionate Pursuits, Inc.	Montgomeryville	Pennsylvania	215-738-4800
Den 89, LLC	Springfield	Pennsylvania	610-850-3147
Hibsam, LLC	Lewisville Denton	Texas Texas	214-354-0862
River Birch Way, LLC	San Antonio (5 stores)	Texas	281-639-6940
GlacierBeach, LLC	Waco Temple Corpus Christi Harker Heights	Texas Texas Texas Texas	254-640-9610
RDO Batteries, LLC	Layton	Utah	801-589-6564
Ike's Enterprise, Inc.	Riverton	Utah	801-448-1941
Charge-It-Up, Inc.	Sandy	Utah	801-560-9949
Southern Utah Batteries LLC	Washington	Utah	801-589-6564
Mullins Commercial Holdings	West Valley City	Utah	801-694-8226

*RIS – Remains in System

REACQUIRED BY THE FRANCHISOR (PURCHASED)

Former Franchisee	City	State	Telephone Number
Gold Peak Investments Corp.	Boulder Littleton Centennial Aurora Denver Westminster Parker Lakewood	Colorado Colorado Colorado Colorado Colorado Colorado Colorado Colorado	720-635-9573
SHD Enterprises, Inc.	St. Louis Ballwin Florissant St. Peters Creve Coeur Fairview Heights	Missouri Missouri Missouri Missouri Missouri Illinois	636-386-2677
Sutton Battery Company Inc.	Columbus (2 stores) Grove City Gahanna Lewis Center Hilliard	Ohio Ohio Ohio Ohio Ohio	614-419-0644
Always Batteries, Inc.	Charlottesville Henrico North Chesterfield Mechanicsville	Virginia Virginia Virginia Virginia	804-513-3856

*RIS – Remains in System

TERMINATED OR CEASED OPERATION

Former Franchise	City	State	Telephone Number
Luminamp, Inc.	El Cerrito	CA	510-589-3614
J & JSV Enterprises, Inc.	Sierra Vista	CA	520-266-1995
Speedy International, Inc.	Ft. Lauderdale	FL	954-591-0503
Guelnez Corporation	Miami	FL	305-278-8004
Junel America, LLC*	Pembroke Pines	FL	407-227-1498
Future Plus of Florida*	Tampa	FL	813-523-5985
Ritz Development, LLC	Owensboro	KY	812-305-3854
Cybernetics, LLC	Annapolis	MD	301-706-4990
SHD Enterprises, Inc.	Chesterfield	MO	636-386-2677
HE2 Industries, LLC	Brick	NJ	732-948-1178
Trinity Partners Development Group, Inc.	Amherst	NY	716-523-3707

Former Franchise	City	State	Telephone Number
Dargan-Farren, LLC	Philadelphia	PA	609-915-7362
Picco Enterprises, LLC	Austin	TX	512-657-0364
Nguyen/Patel Ventures, LLC	Pasadena	TX	832-253-3299
SMCM Partnership, LLC	Southlake	TX	214-226-8494
Batteries Holding, LP*	Webster	TX	832-524-3589
Batteries and Lighting Northern Virginia LLC*	Fairfax	VA	571-447-6313

*RIS –Remains in System

TERMINATED FRANCHISE AGREEMENT (STORE NEVER OPENED)

Former Franchise	City	State	Telephone Number
Crusaders Investments, Inc.*	LaVeen	AZ	785-217-5475
D & H Batteries, LLC*	Tallahassee	FL	678-372-5848
J&E Holdings of Florida II Inc.	Millennia, Oviedo, Windermere, North Lakeland, Apopka, St. Cloud, Lake Nona, Plant City, Davenport & Poinciana	FL	352-348-6739
Pacific Batteries LLC	Westwood Village	WA	703-628-1538

*RIS – Remains in System

If you buy a Batteries Plus® franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

EXHIBIT E

LIST OF STATE ADMINISTRATORS; AGENTS FOR SERVICE OF PROCESS

**STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS**

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation	320 West 4 th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1 st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7 th Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21 st Floor New York, NY 10005 212-416-8236
New York (Agent)	New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492
North Dakota	Securities Commissioner North Dakota Securities Department	600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 68-2 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (State Administrator)	Virginia State Corporation Commission Division of Securities and Retail	1300 East Main Street, 9 th Floor Richmond, VA 23219-3630
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

EXHIBIT F
STATE-SPECIFIC ADDENDA

CALIFORNIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

This Addendum relates to franchises sold in the state of California and is intended to comply with California statutes and regulations.

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

2. Item 3. In addition to the information required by Item 3, neither the Franchisor, or any person in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any National Securities Association or National Securities Exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

3. Item 17. Item 17 of the Franchise Disclosure Document has the following additional provisions:

A. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

B. Any proposed termination of the Franchise Agreement for bankruptcy may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Section 101 et seq.)

C. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

D. The Franchise Agreement (and, to the extent applicable, the Multiple Unit Franchise Agreement) requires binding arbitration to be conducted in Milwaukee, Wisconsin. You are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

4. The Franchisor's web site is found at www.batteriesplus.com.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

5. Item 19. The financial performance representation figures do not reflect all costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of all costs and expenses you will incur in operating your Store. Franchisees or former franchisees, listed in the disclosure document, may be one source of this information.

**ILLINOIS ADDENDUM TO
FRANCHISE DISCLOSURE DOCUMENT**

This Addendum relates to franchises sold in the state of Illinois and is intended to comply with Illinois statutes and regulations.

1. Item 17. Item 17 of the disclosure document is amended by replacing the description in the Summary column of Item 17(v) with the phrase “Not Applicable.”

**ILLINOIS ADDENDUM TO
MULTIPLE UNIT FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Illinois and is intended to comply with Illinois statutes and regulations. In consideration of the execution of the Multiple Unit Franchise Agreement (the “Agreement”), Franchisor and Multiple Unit Franchisee agree to amend the Agreement as follows:

1. Venue. Section 18(D) of the Agreement is deleted.
2. Governing Law. Section 18(E) of the Agreement is amended to provide that any provision that designates governing law to be other than Illinois is void under the Illinois Franchise Disclosure Act of 1987.
3. Construction. In all other respects, the Agreement will be construed and enforced with its terms.

BATTERIES PLUS, L.L.C.

MULTIPLE UNIT FRANCHISEE:

By _____
Its _____

By _____

By _____

**ILLINOIS ADDENDUM TO
FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Illinois and is intended to comply with Illinois statutes and regulations. In consideration of the execution of the Franchise Agreement, Franchisor and Franchisee agree to amend the Franchise Agreement as follows:

1. Venue. Section 20(D) of the Franchise Agreement is deleted.
2. Governing Law. Section 20(E) of the Franchise Agreement is amended to provide that any provision that designates governing law to be other than Illinois is void under the Illinois Franchise Disclosure Act of 1987.
3. Construction. In all other respects, the Franchise Agreement will be construed and enforced with its terms.

BATTERIES PLUS, L.L.C.

FRANCHISEE:

By _____
Its _____

By _____

By _____

**MARYLAND ADDENDUM TO
FRANCHISE DISCLOSURE DOCUMENT**

The following information applies to franchises and franchisees subject to Maryland statutes and regulations. Item numbers correspond to those in the main body:

1. Item 22.

The Franchise Agreement requires the franchisee to sign a general release as a condition of renewal, sale, or assignment of the franchise. This release may not apply to any liability under the Maryland Franchise Registration and Disclosure Law. The form of release that you must sign in those situations will be substantially similar to the form included at the end of Exhibit F to the Franchise Disclosure Document.

**MARYLAND ADDENDUM TO
MULTIPLE UNIT FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Maryland and is intended to comply with Maryland statutes and regulations. In consideration of the execution of the Multiple Unit Franchise Agreement (the “Agreement”), Franchisor and Multiple Unit Franchisee agree to amend the Agreement as follows:

1. Venue. Section 18(D) of the Agreement is deleted.

2. Construction. In all other respects, the Multiple Unit Franchise Agreement will be construed and enforced with its terms.

BATTERIES PLUS, L.L.C.

MULTIPLE UNIT FRANCHISEE:

By _____
Its _____

By _____

By _____

**MARYLAND ADDENDUM TO
FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Maryland and is intended to comply with Maryland statutes and regulations. In consideration of the execution of the Franchise Agreement, Franchisor and Franchisee agree to amend the Franchise Agreement as follows:

1. Release. Sections 3(B)(8) and 15(C)(7) of the Franchise Agreement are amended to provide that any release required as a condition of assignment or renewal without separate consideration may not apply to liability under the Maryland Franchise Registration and Disclosure Law (the “Maryland Franchise Law”). Specifically, Section 14-229(a)(3) of the Maryland Franchise Law, Business Regulation Article, Annotated Code of Maryland prohibits general releases by a franchisee in favor of the franchisor.

2. Venue. Section 20(D) of the Franchise Agreement is deleted.

3. Construction. In all other respects, the Franchise Agreement will be construed and enforced with its terms.

BATTERIES PLUS, L.L.C.

FRANCHISEE:

By _____
Its _____

By _____

By _____

**MINNESOTA ADDENDUM TO
FRANCHISE DISCLOSURE DOCUMENT**

This Addendum relates to franchises sold in the state of Minnesota and is intended to comply with Minnesota statutes and regulations.

1. Item 13. Item 13 of the disclosure document is amended to include the following language:

We will indemnify you for damages for which you are held liable in any proceeding arising out of the use of the “Batteries Plus” mark, provided you have used the Licensed Marks properly and have notified us of any claim against you within 10 days of your knowledge of the claim. We will have sole control of any litigation involving the Licensed Marks. Our indemnification obligation will not apply to any franchisee residing outside the state of Minnesota who purchases a franchise to be located outside of Minnesota.

2. Item 17. Item 17 of the disclosure document is amended to include the following: “Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes Section 80C.14, subs. 3, 4 and 5 require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for nonrenewal of the Franchise Agreement.

Minnesota Statutes Section 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. To the extent a dispute is subject to litigation (and not arbitration or mediation), nothing in the disclosure document or Franchise Agreement can eliminate or reduce any of your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.”

**MINNESOTA ADDENDUM TO
MULTIPLE UNIT FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Minnesota and is intended to comply with Minnesota statutes and regulations. In consideration of the execution of the Multiple Unit Franchise Agreement (the “Agreement”), Franchisor and Multiple Unit Franchisee agree to amend the Agreement as follows:

1. Licensed Marks – Indemnification. Section 9 of the Multiple Unit Franchise Agreement is amended to include the following language:

Franchisor will indemnify a Minnesota Multiple Unit Franchisee for damages for which such Multiple Unit Franchisee is held liable in any proceeding arising out of the use of the “Batteries Plus” mark, provided that Multiple Unit Franchisee has used the mark properly and has notified Franchisor of any claim against Multiple Unit Franchisee within ten (10) days of Multiple Unit Franchisee’s knowledge of such claim. Franchisor will have sole control of any litigation involving the Licensed Marks. Franchisor’s indemnification obligation will not apply to any Multiple Unit Franchisee residing outside the state of Minnesota who purchases a franchise to be located outside of Minnesota.

2. Application of Minnesota Law. Section 13 of the Agreement is amended by adding the following sentences at the end of such Section: “Minnesota law provides franchisees with certain termination and nonrenewal rights. Minnesota Statutes Section 80C.14, subds. 3, 4 and 5 require, except in certain specified cases, that a Multiple Unit Franchisee be given 90 days’ notice of termination (with 60 days to cure).”

3. Venue. Section 18(D) of the Agreement is deleted.

4. Construction. In all other respects, the Multiple Unit Franchise Agreement will be construed and enforced with its terms.

BATTERIES PLUS, L.L.C.

MULTIPLE UNIT FRANCHISEE:

By _____
Its _____

By _____

By _____

**MINNESOTA ADDENDUM TO
FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Minnesota and is intended to comply with Minnesota statutes and regulations. In consideration of the execution of the Franchise Agreement, Franchisor and Franchisee agree to amend the Franchise Agreement as follows:

1. Licensed Marks – Indemnification. Section 6 of the Franchise Agreement is amended to include the following language:

Franchisor will indemnify a Minnesota Franchisee for damages for which such Franchisee is held liable in any proceeding arising out of the use of the “Batteries Plus” mark, provided that Franchisee has used the mark properly and has notified Franchisor of any claim against Franchisee within ten (10) days of Franchisee’s knowledge of such claim. Franchisor will have sole control of any litigation involving the Licensed Marks. Franchisor’s indemnification obligation will not apply to any Franchisee residing outside the state of Minnesota who purchases a franchise to be located outside of Minnesota.

2. Application of Minnesota Law. Sections 3 and 16 of the Franchise Agreement are amended by adding the following sentences at the end of each Section: “Minnesota law provides franchisees with certain termination and nonrenewal rights. Minnesota Statutes Section 80C.14, subs. 3, 4 and 5 require, except in certain specified cases, that a Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for nonrenewal of the Franchise Agreement.”

3. Venue. Section 20(D) of the Franchise Agreement is deleted.

4. Governing Law. Section 20(E) of the Franchise Agreement is amended by adding the following provision at the end of such Section: “Under Minnesota Statutes Section 80C.21, this section will not in any way abrogate or reduce any rights of the Franchisee as provided for in Minnesota Statutes, Chapter 80C, including the right to submit non-arbitrable matters to the jurisdiction of the courts in Minnesota. Minnesota statutes Section 80C.21 and Minnesota Rule 2860.4400J prohibit the Franchisor from requiring litigation to be conducted outside Minnesota.”

5. Construction. In all other respects, the Franchise Agreement will be construed and enforced with its terms.

BATTERIES PLUS, L.L.C.

FRANCHISEE:

By _____
Its _____

By _____
By _____

NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

This Addendum relates to franchises sold in the state of New York and is intended to comply with New York statutes and regulations.

1. Item 3. Item 3 of the disclosure document is amended by the addition of the following:

Neither we, our predecessor, or any person identified in Item 2:

A. Has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, anti-trust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations or any pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchises and the size, nature or financial condition of the Franchise system or its business of operations.

B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within a ten (10) year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, anti-trust, or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

C. Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, state or Canadian franchise, securities, anti-trust, trade regulation or trade practices law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities associations or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions effecting a license as a real estate broker or sales agent.

2. We represent that this Prospectus does not knowingly omit any material fact or contain any untrue statement of a material fact.

3. Item 17(c). Item 17(c) of the disclosure document is amended to provide that a release issued upon renewal of the Franchise Agreement may not apply to claims arising under the General Business Law of the State of New York, Article 33, Section 680 through 695.

**NEW YORK ADDENDUM TO
FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in New York and is intended to comply with New York statutes and regulations. In consideration of the execution of the Franchise Agreement, Franchisor and Franchisee agree to amend the Franchise Agreement as follows:

1. Release. Sections 3(B)(8) and 15(C)(7) of the Franchise Agreement are amended to provide that a release of claims without separate consideration arising under Article 33 of the General Business Law of the State of New York and the regulations issued thereunder may not be enforceable under New York law.

2. Construction. In all other respects, the Franchise Agreement will be construed and enforced with its terms.

BATTERIES PLUS, L.L.C.

FRANCHISEE:

By _____
Its _____

By _____

By _____

**NORTH DAKOTA ADDENDUM TO
FRANCHISE DISCLOSURE DOCUMENT**

This Addendum relates to franchises sold in the State of North Dakota and is intended to comply with North Dakota statutes and regulations.

1. Item 17. Item 17 of the disclosure document is amended by the addition of the following:

Items 17(c) and (m) require you to sign a release as a condition to renewal or transfer. These provisions may not be enforceable in North Dakota. In addition, the Multiple Unit Franchise Agreement and the Franchise Agreement contain covenants not to compete which extend beyond the termination of the franchise. These provisions may not be enforceable in North Dakota.

**NORTH DAKOTA ADDENDUM TO
FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in North Dakota and is intended to comply with North Dakota statutes and regulations. In consideration of the execution of the Franchise Agreement, Franchisor and Franchisee agree to amend the Franchise Agreement as follows:

1. Covenant Not to Compete. Sections 14(C) and 18(A)(8) of the Franchise Agreement are amended to provide that covenants not to compete upon termination or expiration of the Franchise Agreement may be unenforceable, except in certain circumstances provided by law.

2. Construction. In all other respects, the Franchise Agreement will be construed and enforced with its terms.

BATTERIES PLUS, L.L.C.

FRANCHISEE:

By _____
Its _____

By _____

By _____

**RHODE ISLAND ADDENDUM TO
MULTIPLE UNIT FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Rhode Island and is intended to comply with Rhode Island statutes and regulations. In consideration of the execution of the Multiple Unit Franchise Agreement (the “Agreement”), Franchisor and Multiple Unit Franchisee agree to amend the Agreement as follows:

1. Governing Law. Section 18(E) of the Agreement is amended by the addition of the following sentence: “Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that a ‘provision in a franchise agreement restricting jurisdiction or venue to a forum outside the state or requiring the application of the laws of another state is void respecting a claim otherwise enforceable under this Act.’”

2. Construction. In all other respects, the Agreement will be construed and enforced with its terms.

BATTERIES PLUS, L.L.C.

MULTIPLE UNIT FRANCHISEE:

By _____
Its _____

By _____

By _____

**RHODE ISLAND ADDENDUM TO
FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Rhode Island and is intended to comply with Rhode Island statutes and regulations. In consideration of the execution of the Franchise Agreement, Franchisor and Franchisee agree to amend the Franchise Agreement as follows:

1. Governing Law. Section 20(E) of the Franchise Agreement is amended by the addition of the following sentence: “Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that a ‘provision in a franchise agreement restricting jurisdiction or venue to a forum outside the state or requiring the application of the laws of another state is void respecting a claim otherwise enforceable under this Act.’”

2. Construction. In all other respects, the Franchise Agreement will be construed and enforced with its terms.

BATTERIES PLUS, L.L.C.

FRANCHISEE:

By _____
Its _____

By _____

By _____

**VIRGINIA ADDENDUM TO
FRANCHISE DISCLOSURE DOCUMENT**

This Addendum relates to franchises sold in the state of Virginia and is intended to comply with Virginia statutes and regulations.

1. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

**WASHINGTON ADDENDUM TO
MULTIPLE UNIT FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Washington and is intended to comply with Washington statutes and regulations. In consideration of the execution of the Multiple Unit Franchise Agreement (the “Agreement”), Franchisor and Multiple Unit Franchisee agree to amend the Agreement as follows:

1. Release. The Washington Franchise Investment Protection Act prohibits a franchisor from requiring a franchisee to assent to a release, assignment, novation, or waiver which would relieve any person from liability imposed by this chapter, except as otherwise permitted by RCW 19.100.220.

2. Construction. In all other respects, the Agreement will be construed and enforced with its terms.

BATTERIES PLUS, L.L.C.

MULTIPLE UNIT FRANCHISEE:

By _____
Its _____

By _____

By _____

**WASHINGTON ADDENDUM TO
FRANCHISE AGREEMENT**

This Addendum relates to franchises sold in Washington and is intended to comply with Washington statutes and regulations. In consideration of the execution of the Franchise Agreement, Franchisor and Franchisee agree to amend the Franchise Agreement as follows:

1. Other Modifications.

A. The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise. There also may be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise.

B. The Washington Franchise Investment Protection Act prohibits a franchisor from requiring a franchisee to assent to a release, assignment, novation, or waiver which would relieve any person from liability imposed by this chapter, except as otherwise permitted by RCW 19.100.220.

2. Construction. In all other respects, the Franchise Agreement will be construed and enforced with its terms.

BATTERIES PLUS, L.L.C.

FRANCHISEE:

By _____
Its _____

By _____

By _____

FORM RELEASE OF CLAIMS

**THIS IS A CURRENT RELEASE FORM THAT GENERALLY WILL
BE USED WITH OR INCORPORATED INTO A SEPARATE AGREEMENT.
THIS FORM IS SUBJECT TO CHANGE OVER TIME.**

For and in consideration of the Agreements and covenants described below, Batteries Plus, L.L.C. (“Batteries Plus”), _____ (“Franchisee”) and _____ (“Guarantors”) enter into this Release of Claims (“Agreement”).

RECITALS

- A. Batteries Plus and Franchisee entered into a Batteries Plus Franchise Agreement dated _____, ____ (the “Franchise Agreement”).
- B. [NOTE: Describe the circumstances relating to the release.]

AGREEMENTS

1. **Consideration.** [NOTE: Describe the consideration paid.]
- 2-3. [NOTE: Detail other terms and conditions of the release.]
4. **Release of Claims.**
- A. Definitions.
1. BP Parties: Batteries Plus and each of its subsidiaries, corporate parents and affiliates, and their respective officers, directors, owners, stockholders, members, employees, insurers, attorneys, agents, successors, predecessors, assigns, heirs and personal representatives.
2. Franchisee Parties: Franchisee and each of the Guarantors and all persons or entities acting on their behalf or claiming under them including, without limitation, each of their respective corporate parents, subsidiaries, affiliates, owners, heirs, executors, administrators, managers, directors, officers, employees, trustees, agents, partners, business entities, attorneys, insurers, successors and assigns.
- B. The Franchisee Parties irrevocably and unconditionally waive, release and forever discharge, and covenant not to sue, the BP Parties of and from any and all claims, suits, debts, liabilities, causes of action, demands, contracts, promises, obligations, losses, rights, controversies, damages, costs, expenses (including, without limitation, actual attorneys’ fees and costs incurred), actions and causes of action of every nature, whether known or unknown, direct or indirect, vested or contingent, at law or in equity, whether arising by statute, common law, or otherwise, including claims for negligence (collectively, “Claims”), that they may now have, or at anytime heretofore had, or hereafter may have, against each or any of the BP Parties arising out of or relating to any conduct, transaction, occurrence, act or omission at any time before the [Effective Date] relating to the Franchise Agreement(s), the development or operation of the Store(s), the franchise relationship between the parties, the offer or sale of any franchise, or any agreement between any of the Franchisee Parties and any of the BP Parties.

C. The Franchisee Parties specifically and expressly acknowledge and agree that the consideration accepted under this Agreement is accepted in full satisfaction of any and all injuries and/or damages that have previously arisen and which may hereafter arise respecting any of the claims being released.

[California option: The Franchisee Parties expressly waive all rights or benefits that they have or may have under Section 1542 of the California Civil Code, which section provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.]

D. The Franchisee Parties acknowledge that they have had a reasonable opportunity to consult with an attorney prior to signing this release and they have executed this release voluntarily. Also, the Franchisee Parties represent that they have not assigned or transferred to anyone any claims released by them under Section 4(B) above.

5. **General.** No amendment to this Agreement or waiver of the rights or obligations of either party shall be effective unless in writing signed by the parties. This Agreement is governed by the laws of the State of _____ without regard to conflicts of laws principles. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. This Agreement contains the entire agreement and understanding of the parties concerning the subject matter of this Agreement. [NOTE: Detail other miscellaneous provisions.]

FRANCHISEE:

BATTERIES PLUS, L.L.C.

BY: _____

BY: _____

ITS: _____

ITS: _____

DATE: _____

DATE: _____

PERSONAL GUARANTORS:

EXHIBIT G
DISCLOSURE ACKNOWLEDGMENT AGREEMENT

**DISCLOSURE
ACKNOWLEDGMENT AGREEMENT**

Applicant _____
(If corporation) State of Incorporation _____
Address of Applicant _____
Location (Territory) Applied For _____

1. I have received all appropriate disclosure documents for the State(s) of _____ at least fourteen (14) calendar days, exclusive of the day I received them and the day I signed them, before signing the Franchise Agreement (or Multiple Unit Franchise Agreement) and/or payment of any monies.

2. I have signed and returned to Batteries the acknowledgment of receipt for each disclosure document given me.

3. I have had an opportunity to read the Franchise Agreement thoroughly and understand all of Batteries' covenants and obligations and my obligations as a franchisee of the Batteries Plus® system. I understand that the Franchise Agreement contains all obligations of the parties and that Batteries does not grant to me under the Franchise Agreement any right of first refusal.

4. I understand that this franchise business, as in all business ventures, involves risk and despite assistance and support programs, the success of my business will depend primarily upon me and my ability. In addition, I understand that this franchise business may be impacted by other risks, including those outside your or our control such as economic, political or social disruption

5. Except for fill in the blank provisions or for negotiated changes that I initiated, I received a copy of the revised Franchise Agreement, Multiple Unit Franchise Agreement or related agreement at least seven (7) calendar days before the date on which the Franchise Agreement, Multiple Unit Franchise Agreement or related agreement was signed.

6. I understand that Batteries has a national marketing and promotional program which is not directed towards any specific franchise territory but is intended to benefit the entire Batteries Plus® system nationwide. I further understand that amounts from the national marketing and promotional fund will be used, among other purposes, to offset in-house expenses incurred in providing marketing services, media planning and network marketing support, developing and operating the System e-commerce platform, and providing market intelligence through analytics to the Batteries Plus® system.

7. I understand that Batteries operates a supply chain program on which Batteries may directly or indirectly receive compensation, and that a wholly-owned subsidiary of Batteries, Ascent Battery Supply, L.L.C. ("Ascent"), supplies the majority of batteries, light bulbs and related products to stores through the supply chain. I also understand that, through this supply chain program, Ascent pays Batteries a product revenue payment in addition to reimbursement of certain expenses and interest on funds made available to Ascent. I further understand that Ascent is responsible for all direct and indirect costs incurred by Batteries and its affiliates in the operation of the supply chain program and Ascent recovers all of these costs from franchisees through the prices that Ascent charges for products supplied to stores.

8. I understand that, pursuant to license agreements, Batteries' products and accessories may be sold under the "Rayovac," "Duracell Procell" and "Duracell Ultra" brand and that these agreements may not remain in effect during the complete term of the franchise agreement.

9. If I was referred to Batteries by a franchise broker or referral source, the name of that franchise broker(s) or referral source(s) is _____.

10. I have had no promises, guarantees or assurances made to me and no information provided to me relative to earnings, revenues, profits, expenses or projected revenues for this franchise, except as disclosed in the disclosure document. If I believe that I have received any such promises, guarantees, assurances or information, I agree to describe it below (otherwise write "None").

Applicants' Acknowledgment:

Name: _____

Name: _____

Date: _____

Date: _____

EXHIBIT H
STATE EFFECTIVE DATES AND RECEIPTS

State Effective Dates

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

Receipt

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or our affiliate in connection with the proposed franchise sale. Iowa and New York require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and those state administrators listed on Exhibit E.

The franchisor is Batteries Plus, L.L.C. located at 1325 Walnut Ridge Drive, Hartland, Wisconsin 53029. Our telephone number is (262) 912-3000.

Issuance Date: March 28, 2022.

Our franchise seller involved in offering and selling the franchise to you is Joe Malmuth, Brandon Mangual, Victor Daher or Daniel Castaneda, 1325 Walnut Ridge Drive, Hartland, Wisconsin 53029, (262) 912-3000, or is listed below (with address and telephone number), or will be provided to you separately before you sign a franchise agreement: _____

We authorize the respective state agencies identified on Exhibit E to receive service of process for us in the particular state.

I have received a disclosure document dated March 28, 2022, that included the following Exhibits:

- | | |
|---|---|
| (A) Financial Statements | (E) List of State Administrators; Agents for Service of Process |
| (B) Multiple Unit Franchise Agreement | (F) State-Specific Addenda |
| (C) Franchise Agreement | (G) Disclosure Acknowledgment Agreement |
| (D) List of Franchise Stores and Former Franchisees | (H) State Effective Dates and Receipts |

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

Copy for Franchisee

Receipt

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or our affiliate in connection with the proposed franchise sale. Iowa and New York require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and those state administrators listed on Exhibit E.

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- | | |
|---|---|
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| (C) Franchise Agreement | (G) Disclosure Acknowledgment Agreement |
| (D) List of Franchise Stores and Former Franchisees | (H) State Effective Dates and Receipts |

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

Copy for Batteries Plus, L.L.C.

Please sign and date both copies of this receipt, keep one copy (the previous page) for your records, and mail one copy (this page) to the address listed on the front page of this disclosure document or send to Franchising Department by email to franchising@batteriesplus.com or by fax to (262) 912-3100.

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