

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 commercial accounts and retail customers.

The total investment necessary to begin operation of a Store is from \$262,646 to \$496,996. This includes \$152,968 to \$188,468 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 Tiffanie Knapp, 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, 2025, as amended October 10, 2025

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.

TABLE OF CONTENTS

| <u>ITEM</u> | <u>PAGE</u> |
|---|---|
| 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES | 1 |
| 2. BUSINESS EXPERIENCE | 5 |
| 3. LITIGATION..... | 7 |
| 4. BANKRUPTCY | 8 |
| 5. INITIAL FEES..... | 8 |
| 6. OTHER FEES..... | 10 |
| 7. ESTIMATED INITIAL INVESTMENT | 16 |
| 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES..... | 21 |
| 9. FRANCHISEE'S OBLIGATIONS | 24 |
| 10. FINANCING..... | 26 |
| 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING | 26 |
| 12. TERRITORY | 35 |
| 13. TRADEMARKS | 38 |
| 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION..... | 39 |
| 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS ... | 40 |
| 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL..... | 41 |
| 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION | 41 |
| 18. PUBLIC FIGURES..... | 45 |
| 19. FINANCIAL PERFORMANCE REPRESENTATIONS..... | 45 |
| 20. OUTLETS AND FRANCHISEE INFORMATION | 63 |
| 21. FINANCIAL STATEMENTS | 73 |
| 22. CONTRACTS..... | 73 |
| 23. RECEIPTS | 73 |
| EXHIBITS | |
| EXHIBIT A | Financial Statements |
| EXHIBIT B | Multiple Unit Franchise Agreement |
| EXHIBIT C | Franchise Agreement (and exhibits) |
| EXHIBIT D | List of Franchise Stores and Former Franchisees |
| EXHIBIT E | List of State Administrators; Agents for Service of Process |
| EXHIBIT F | State-Specific Addenda (including form release of claims) |
| EXHIBIT G | Disclosure Acknowledgment Agreement |
| EXHIBIT H | State Effective Dates and Receipts |

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 commercial services, 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, 2024, we and our affiliates operated 133 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, 2024, there were 705 franchised Centers operating in the United States and 84 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, 2024, 31 franchised locations 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, 2024, 303 franchised locations and 51 company-owned locations were operating in the United States and one franchised location was operating internationally.

Camp Bow Wow Franchising, Inc. (“CBW”) franchises Camp Bow Wow® businesses which offer specialized pet care services through fixed store locations and mobile units, the retail sale of pet food and merchandise, and related services and products. CBW became part of the Freeman Spogli portfolio and our affiliate as of January 31, 2024. CBW’s principal place of business is 7577 West 103rd Avenue, Westminster, Unit 209, Colorado 80021. As of December 31, 2024, there were 222 franchised and 1 company-owned Camp Bow Wow® businesses in operation in the United States and 1 franchised Camp Bow Wow® business operating internationally.

Since September 2024, Freeman Spogli & Co., through its affiliate, has owned a majority interest in VIO Franchise Group, LLC, the franchisor of VIO Med Spas. As of December 31, 2024, there were 53 franchised VIO Med Spas, all of which were in the United States. VIO Med Spa had 56 total stores as of December 31, 2024, including 3 company-owned and operated stores.

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 600 and 800 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 100 and 300 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 generally 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 12 months from the date of your Multiple Unit Franchise Agreement and open your second Store within 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”). Your Store will offer products and services to both commercial accounts and retail customers. You will begin operating by offering commercial sales activities after you successfully complete commercial sales training, including soliciting and servicing commercial accounts, and will begin retail sales activities once your Store opens.

We are currently testing a “Commercial as a Service in Market Rep” for a limited number of Stores that have been open a minimum of 36 months. Through this program, we have arranged for participating franchisees to have a commercial sales associate in their market. Upon completion of the test, we may expand this program to additional franchisees.

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 and Manager since January 2019.

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.

Chief Operating Officer: Jon Sica

Mr. Sica has held various positions at Batteries since April 2019, including that of Chief Operating Officer since March 2024.

Chief Retail Officer: Byrne Doyle

Mr. Doyle has been our Chief Retail Officer since June 2024. From June 2018 to December 2023 he was the Chief Operating Officer for Wireless Vision in Bloomfield Hills, Michigan.

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.

Chief Supply Chain Officer: Kirtis Hill

Mr. Hill has held various positions at Batteries since June 2019, including that of Chief Supply Chain Officer since January 2024 and Chief Retail Growth Officer from March 2021 until September 2023.

Chief Commercial Officer: Scott O'Farrell

Mr. O'Farrell has been our Chief Commercial Officer since September 2023 and our Vice President – Commercial Sales from June 2019 until September 2023.

Chief Development Officer: Joseph Malmuth, CFE

Mr. Malmuth has held various positions at Batteries since May 2020, including that of Chief Development Officer since January 2024, Chief Franchising Officer from September 2022 until December 2023 and the Vice President Franchise Development from March 2021 until September 2022. From March 2019 through April 2020, Mr. Malmuth was the DVP of Franchise Relations for Now Optics, LLC in Palm Springs, Florida.

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.

Vice President of Store Development and Training: Jason Edward Moss

Mr. Moss has been our Vice President of Store Development and Training since September 2023 and was our Real Estate Project Manager from November 2019 until September 2023.

Global Vice President of Development: Victor Daher

Mr. Daher is our Global Vice President of Franchise Development since September 2024. Prior to this, Mr. Daher was our Vice President of Franchise Development from September 2023 to September 2024 and Director of Franchise Development from December 2019 until September 2023.

Vice President of Franchise Development: Brandon Mangual

Mr. Mangual has been our Vice President of Franchise Development since September 2024. Prior to this, Mr. Mangual was our Managing Director of Franchise Development from September 2022 until September 2024 and was our Associate Director of Franchise Development from January 2019 until September 2022.

Franchise Development Manager: Jacob Ewing

Mr. Ewing has been our Franchise Development Manager since September 2025. Prior to joining Batteries Plus, Mr. Ewing was a Loan Officer with Wildcat Lending in Plano, Texas from February 2024 to May 2025, a Sales Manager with New Western in Irving, Texas from February 2020 until February 2024 and a Regional Vice President with United Franchise Group in West Palm Beach, Florida from August 2016 until December 2019.

Vice President of Commercial Sales: Rob Heil

Mr. Heil has held a variety of positions with us since December 2021, including our Vice President of Commercial Sales since January 2024 and our Sr. Director of Commercial Sales from January 2022 until December 2023. From October 2014 to September 2021, Mr. Heil held various sales & leadership positions at ORS Nasco in Tulsa, Oklahoma, including that of National Accounts and Business Development Manager.

Vice President of Franchise Commercial Sales: Peter Bong

Mr. Bong has held a variety of positions with us since May 2019, including our Vice President of Franchise Commercial Sales since January 2025 and Senior Director of Sales Effectiveness from January 2024 until January 2025.

VP of Growth Marketing: Chris McGee

Ms. McGee has been our VP of Growth Marketing since December 2023 and was our Director of Performance Marketing from December 2022 until December 2023. Prior to joining Batteries Plus, Ms. McGee was with Bank of America where she held the role of Media Strategy & Investment SVP from November 2008 to December 2022.

ITEM 3

LITIGATION

Franchisor-Initiated Litigation Against Franchisees in the Last Fiscal Year:

Batteries Plus, LLC. v David Hennessey. State of Connecticut Superior Court, HHD-CV-24-6189067S (filed August 2, 2024). Batteries Plus filed this case against a former franchisee for amounts owed to Batteries Plus.

Batteries Plus, LLC v Osmond Industries LLC, et al. State of Florida Citrus County Civil Division, 2025-CC-001066A (filed August 28, 2025). Batteries Plus filed this case against a former franchisee for amounts owed to Batteries Plus.

Prior Actions:

Ashwant Singh et al. v. Batteries Plus, LLC et al. United States District Court for the Eastern District of California, Case No. 2:24-cv-00223; AAA Case No. 01-23-0005-9286 (commenced December 14, 2023). Plaintiff, a former Batteries Plus franchisee who operated a single Store in Fairfield, California, filed this action against Batteries Plus in California Superior Court – County of Solano, alleging breach of the franchise agreement and the implied covenant of good faith and fair dealing, violation of the California Franchise Investment Law, fraud and misrepresentation. Batteries Plus later filed a Demand for Arbitration against Plaintiff seeking to recover lost future franchise fees and subsequently sought and obtained a removal of the case to United States District Court. On May 13, 2024, the federal court granted the Batteries Plus Motion to Compel Arbitration and dismissed the federal court action. On September 10, 2025, the parties entered into a Confidential Settlement Agreement and Release, whereby Batteries Plus agreed to pay to Plaintiff \$590,000 in exchange for the parties’ mutual termination of the pending arbitration and joint request to vacate the interim arbitration award.

Other than as described above, 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 \$39,500, the Initial Franchise Fee for the third Store is \$34,500, and the Initial Franchise Fee for the fourth and subsequent Store is \$29,500. 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 12 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 | \$39,500 | \$39,500 | \$39,500 |
| Initial Franchise Fee – Store 3 | NA | NA | \$34,500 | \$34,500 |
| Initial Franchise Fee – Store 4 | NA | NA | NA | \$29,500 |
| 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) 12 Months Before you Must Open the Store | NA | \$24,500 | \$24,500 for 2 nd store \$19,900 for 3 rd store | \$24,500 for 2 nd store \$19,900 for 3 rd store \$14,500 for 4 th Store |

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

We also offer existing franchisees who have been operating a Store for a minimum of 36 months, and who are in good standing under their Franchise Agreement(s), the opportunity to enter into a Franchise Agreement for one additional Store during the initial term of their first Franchise Agreement for a discounted Initial Franchise Fee of \$15,000; provided that they open the Store within 12 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 \$38,968. You also must pay us a fee of \$10,000 for access to the “Omni-Channel Program.” 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 \$57,500 to \$74,000. After you open your physical Store, we will issue you a one-time credit of \$3,500 towards your new store order within 30 days of the Store’s opening of its physical location. Separately, you must pay Ascent approximately \$5,000 to \$6,000 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 \$6,000 to \$9,000.

In addition, you must pay a non-refundable New Store Marketing Campaign contribution of up to \$6,000 as we determine. 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 90 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.

If an existing franchisee refers a prospective franchisee to us who ultimately purchases a franchise for a Store and otherwise satisfied the terms of our franchisee referral program, we currently pay the referring franchisee a referral fee of \$5,500. We may discontinue this referral program or change the amount of the referral fee at any time.

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 and Local Media 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 but cannot exceed the greater of 3% of Net Revenues or the “Minimum Store Promotion Requirement,” and when combined with Digital Marketing and Local Media Program contributions it cannot exceed 4% of Net Revenues. (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 and Local Media Program and Local Marketing are less than the “Minimum Store Promotion Requirement.” | Minimum amount must be spent during each calendar year. | See Note 5 |
| New Store Marketing Campaign | Upon Store relocation, we may require you to pay us the New Store Marketing Campaign contribution of up to \$6,000. | 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 | Waived for the first three months; \$2,500 per month for up to 4 additional months | Payable when you request an extension to the Development Schedule under the Multiple Unit Franchise Agreement. | Payable if we allow the extension. See Item 11 |
| Franchise Agreement Extension Fee (See Note 7) | Waived for the first three months; \$2,500 per month for up to 4 additional month | Payable when you request an extension of time in which to open the Store. | Payable if we allow the extension. See Item 11. |
| Transfer Fee | 50% of then-current standard Initial Franchise Fee | 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 | May increase up to 10% each calendar year. See Note 9 |
| 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. |

| Type of Fee | Amount (See Note 1) | Due Date | Remarks |
|-------------------------------|---|----------------------------|--|
| 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. |
| Management Fee | Up to \$500 per day plus cost and overhead | When due | Payable if you are in default under the Franchise Agreement and we elect to operate the Store until the default has been cured. |
| 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 \$472 per month | Payable monthly | May increase up to 10% each calendar year. See Item 11 |
| Omni-Channel Maintenance Fees | Then-current fee as described in the Operations Manual, currently \$200 per month. | Payable monthly | May increase up to 10% each calendar year. 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 | May increase up to 10% each calendar year. See Note 11 and Item 12 |
| Avalara Avatax Service Fee | Varies, currently \$26 per month | Payable monthly | May increase if our third party costs increase; any portion of the fee attributable to our overhead or administrative costs will not exceed 10% of the total fee |

| Type of Fee | Amount (See Note 1) | Due Date | Remarks |
|--|--|-----------------|---|
| Payment Gateway Fee | Varies, currently \$22 per month | Payable monthly | May increase if our third party costs increase; any portion of the fee attributable to our overhead or administrative costs will not exceed 10% of the total fee |
| Salesforce.com CRM Fee | Varies, currently \$50 per month | Payable monthly | May increase if our third party costs increase; any portion of the fee attributable to our overhead or administrative costs will not exceed 10% of the total fee |
| Managed Security Services (PCI Compliance) Program Fee | Currently \$170 per month | Payable monthly | May increase if our third party costs increase; any portion of the fee attributable to our overhead or administrative costs will not exceed 10% of the total fee See Item 11 |
| Regional Workshops and Supplemental and Refresher Training | Varies, currently \$0 to \$1,500 per day | When incurred | May increase up to 10% each calendar year. See Item 11 |
| Optional Commercial as a Service | Currently \$1,785 per month for approximately 40 hours of support per month. | Payable monthly | May increase up to 10% each calendar year. See Note 12 |
| New Store Commercial Support | Currently \$1,150 per month | Payable monthly | May increase up to 10% each calendar year. See Note 12 |
| Inventory Planning as a Service | Currently \$100 per month | Payable monthly | May increase up to 10% each calendar year. See Note 13 |

| Type of Fee | Amount (See Note 1) | Due Date | Remarks |
|--|---|--|--|
| Annual Conference or Regional Meeting Fee | Varies, currently \$0 to \$1,500 per person per event plus lodging, meals and travel expenses | Registration billed 6 months before convention | May increase up to 10% each calendar year. Applies only if we schedule an annual conference or regional meeting. See Item 11 |
| Annual Conference or Regional Meeting Non-Attendance Fee | Currently \$0 to \$2,000 per event | When incurred | If you fail to attend an annual convention or regional meeting, you must pay a non-attendance fee of \$2,000 per active Franchise Agreement with a cap of \$10,000 for each franchisee owner group. May increase up to 10% each calendar year. |
| 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 and \$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 |
| Secret Shopper Fee | \$0 to \$500 per occurrence up to two (2) per year. | When incurred | May increase up to 10% each calendar year. See Note 15. |

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.

If you begin operating the Store by offering commercial sales activities after you successfully complete commercial sales training, including soliciting and servicing commercial accounts, by December 30, 2025, we will waive up to \$27,500 of Royalty and Service Fees for the 12-month period after you begin retail sales activities (i.e., by opening your brick and mortar Store). You must pay the Royalty and Service Fee on any Net Revenues incurred before opening your brick and mortar Store. In addition, if you achieve at least \$550,000 in Net Revenues during such initial 12-month period, we will waive up to \$27,500 of Royalty and Service Fees for the subsequent 12-month period as well.

- (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 2025, multi-Store franchisees must satisfy either the minimum annual cumulative Net Revenue amount of \$13,537,157 or the minimum average annual unit Net Revenues of \$2,256,192; and single Store franchisees must satisfy the minimum annual Net Revenue of \$2,632,225.

- (4) We will determine future Digital Marketing and Local Media 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. When the physical Store opens for retail sales activities, you will pay us \$20,000 as your initial Minimum Store Promotion Requirement and we will apply those funds towards your Digital Marketing and Local Media Program contributions. Once such amounts are used, you will pay your Digital Marketing and Local Media Program contributions monthly. 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 you are relocating your Store, you may need to pay for a New Store Marketing Campaign for your DMA, up to \$6,000. You may be required to 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 at the time you relocate your Store and continuing for up to 90 days. We and the vendor will use the New Store 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.
- (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 “New Store Commercial Support”) or (b) offer franchisees the opportunity to subcontract all or part of their commercial sales activities to us (the “Commercial as a Service”). New Franchisees opening their first Store must participate in the New Store Commercial Support during the first 12 months following the date they complete commercial sales training; provided that such franchisees will not pay for the first three months as those fees are covered as part of the Initial Franchise Fee. 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 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 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.
- (15) We reserve the right, in our sole discretion, to engage a third-party “secret shopper” to visit your Store if we determine there are documented performance issues. You must reimburse us for the cost of the first two (2) such secret shopper visits. If we engage three (3) or more secret shopper visits, we will cover the costs of visits beyond the first 2 visits, **except** where the secret shopper visits are conducted in connection with a default that results in the termination of your Franchise Agreement. In that case, you will be responsible for all secret shopper costs, including those in excess of two (2).

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT (See Note 1)

| Type of Expenditure | Amount (See Note 2) | Method of Payment | When Due | To Whom Payment Is To Be Made |
|--------------------------------|------------------------|----------------------|----------|-------------------------------------|
| Prior to Site Build Out | | | | |

| Type of Expenditure | 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 |
| Travel and Living Expenses during Training See Note 4 | \$500 to \$2,900 | As Incurred | Before Opening | Various Third Parties |
| New Store Commercial Support -- 3 months See Note 5 | \$0 to \$3,450 | As Incurred | As Incurred | Batteries |
| Retail Management System See Note 6 | \$38,986 | Lump Sum | As Incurred | Batteries and Various Suppliers |
| Omni-Channel Access Fee See Note 7 | \$10,000 | Lump Sum | As Incurred | Batteries |
| Miscellaneous Pre-opening Expenses See Note 8 | \$1,800 to \$5,000 | As Incurred | Before Opening | Various Third Parties |
| Insurance Premiums (3 months) | \$1,200 to \$5,000 | As Incurred | Before Opening | Various Third Parties |
| Delivery Vehicle See Note 9 | \$1,000 to \$18,500 | Varies | As Incurred | Third Party Automotive Dealer |
| Additional Funds - 3 months See Note 18 | \$11,000 to \$17,000 | As Incurred | As Incurred | Employees Suppliers; Batteries |
| Subtotal Prior to Site Acceptance | \$79,486 to \$145,336 | | | |
| During and After Site Build Out | | | | |
| New Store Opening Hardware Kit | \$7,000 to \$10,000 | As Agreed Upon | Before Opening | Various Suppliers |
| Traffic Equipment and Software See Note 20 | \$860 | Lump Sum | Before Opening | Third Party Vendor |
| New Store Marketing Campaign Contribution See Note 10 | \$5,000 to \$6,000 | As Agreed Upon | As Incurred | Batteries and our designated vendor |
| Minimum Store Promotion Requirement See Note 11 | \$20,000 | As Agreed Upon | As Incurred | Batteries |
| Rent – Security Deposit and 3 months’ rent See Note 12 | \$8,000 to \$19,000 | Lump Sum | Before Opening | Landlord and Various Suppliers |
| Leasehold Improvements See Note 13 | \$0 to \$116,000 | As Agreed Upon | As Incurred | Landlord, Various Third Parties |

| Type of Expenditure | Amount (See Note 2) | Method of Payment | When Due | To Whom Payment Is To Be Made |
|---|-----------------------------------|----------------------|----------------|-------------------------------------|
| Equipment and Fixtures See Note 14 | \$33,000 to \$39,000 | As Agreed Upon | As Incurred | Ascent; Various Suppliers |
| Signage See Note 15 | \$7,500 to \$16,000 | As Agreed Upon | As Incurred | Ascent; Various Suppliers |
| Inventory See Note 16 | \$57,500 to \$74,000 | As Agreed Upon | As Ordered | Ascent; Various Suppliers |
| Miscellaneous Supplies See Note 17 | \$4,300 to \$5,800 | As Incurred | Before Opening | Various Suppliers |
| Additional Funds - 3 months See Note 18 | \$40,000 to \$45,000 | As Incurred | As Incurred | Employees Suppliers |
| Store Build Out and Opening Subtotal | \$183,160 to \$351,660 | | | |
| TOTAL See Note 19 | \$262,646 to \$496,996 | | | |

Notes:

- (1) 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. After you successfully complete commercial sales training and before you begin building out your site, you will begin commercial sales activities. The first section of the table above includes the estimated initial investment to begin conducting that commercial sales activities. The second section of the table above includes the estimated initial investment to build out and open the Store and begin retail sales.
- (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) Training expenses include the cost of lodging, meals and travel expenses for one person attending the full 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 the device repair component of the initial start up training program.
- (5) This amount includes an estimate of fees for 3 months to participate in the New Store Commercial Support program. You must participate in the New Store Commercial Support program as more fully described in Item 6.
- (6) 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.)

- (7) 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.
- (8) Miscellaneous expenses include local permit and license fees, and legal and accounting fees.
- (9) 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.
- (10) This amount includes an estimate of the New Store Marketing Campaign contribution. You must participate in the New Store Marketing Campaign as more fully described in Item 5.
- (11) During the first calendar year (or portion thereof) following the brick and mortar Store opening date, you will have a Minimum Store Promotion Requirement equal to a pro rata amount of \$20,000 based upon the number of weeks during the calendar year in which the Store was in operation. When the physical Store opens for retail sales, you will pay us \$20,000 as your initial Minimum Store Promotion Requirement and we will apply those funds towards your Digital Marketing and Local Media Program contributions. Once such amounts are used, you will pay your Digital Marketing and Local Media Program contributions monthly.
- (12) The typical size of a Batteries Plus® Store ranges from 1,000 to 1,600 square feet. Historically, certain franchisees have developed Batteries Plus® Stores of up to 1,600 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.

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.

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.

- (13) 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, partition walls, interior signage and vehicle graphics. 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 1,000 to 1,600 square feet for a Store, you may need larger premises in some situations. 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.

- (14) 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.
- (15) This amount includes estimated expenses for 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.
- (16) 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.
- (17) 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).
- (18) This amount estimates the expenses you will incur during the first three months of commercial sales activity and the first three months of Store operations, including initial wages and fringe benefits, lease payments, occupancy costs, utilities, and software fees. 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.
- (19) 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.
- (20) You must purchase and maintain traffic monitoring software and equipment from a third party approved vendor to monitor store traffic, filter out non-customers, track sales performance by salesperson, and analyze conversion rates of sales opportunities. The cost for this equipment,

installation and the first year of subscription fees is \$860 and is required before the physical Store opens for retail sales. This fee is payable to the approved third-party vendor. After the initial 12-month period, ongoing costs may vary based on system updates, enhancements, or additional features. All new, and renewing and transferred stores will be required to implement this program.

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 TRG 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) data privacy insurance; and (7) 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 \$18,740,000 in gross revenue in fiscal year 2024 from franchisee purchases of goods, products and services, and rebates and other payments as otherwise described in this Item 8. Ascent

received approximately \$158,760,000 in gross revenue in fiscal year 2024 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 \$177,500,000 in gross revenue in fiscal year 2024 from franchisee purchases of goods, products and services, and rebates and other payments as otherwise described in this Item 8, which represented 53.7% of our total gross revenues of \$330,516,000.

Rebates from Approved Suppliers

Ascent and Batteries may receive rebates and other payments from approved third party suppliers. In fiscal year 2024, the rebates and other payments Batteries or Ascent received from suppliers ranged from less than 1% up to 18% 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 |

| Obligation | Section in Agreement | Disclosure Document Item |
|--|---|---------------------------------|
| 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 |
| 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 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 3 of Franchise Agreement | Items 6 and 17 |
| v. Post-termination obligations | Sections 14 and 17 of Franchise Agreement and Sections 14 and 15(B) of Multiple Unit Franchise Agreement | Item 17 |
| w. Non-competition covenants | Sections 14 and 17(A) of Franchise Agreement and Section 15 of Multiple Unit Franchise Agreement | Item 17 |
| x. Dispute resolution | Sections 18 and 19 of Franchise Agreement and Sections 17 and 18 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 brick and mortar 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 12 months following the date you successfully complete commercial sales training (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 2024 fiscal year, 13% of the NMF Fund was spent for advertising and merchandising production, communication and related expenses, 32% was spent on the development, operation and marketing of the e-commerce platform, 35% was spent for national and key accounts, commercial sales development and related expenses, and 20% 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, creative design, collateral production, 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. We recommend that Stores spend in excess of the required marketing contributions.

You must contribute to and participate in our Digital Marketing and Local Media Program designed to primarily support ecommerce and national performance marketing efforts (including paid search, product placement, paid social, and affiliate marketing). Each fiscal year, you must contribute the greater of 3% of Store Net Revenues or the Minimum Store Promotion Requirement. We will determine future Digital Marketing and Local Media 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 and Local Media Program contributions are spent, and you will pay such amount directly to us monthly. We may use the Digital Marketing and Local Media 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 digital based marketing or promotional tools or programs. Any separate account established for the Digital Marketing and Local Media 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 and Local Media 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 and Local Media Program. Digital Marketing and Local Media Program contributions not spent in any fiscal year will be carried over for future use. We may make loans to the Digital Marketing and Local Media Program bearing reasonable interest to cover any deficit of the Digital Marketing and Local Media Program and cause the Digital Marketing and Local Media Program to invest in a surplus for future use by the Digital Marketing and Local Media Program. Digital Marketing and Local Media 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 and Local Media Program account for the most recent calendar year. Each new Batteries Plus® franchisee must contribute to the Digital Marketing and Local Media Program. In addition, each Batteries-owned Store will contribute to the Digital Marketing and Local Media Program on the same basis as the majority of franchisees must contribute.

During our 2024 Fiscal Year, 75% of the Digital Marketing and Local Media Program contributions were spent on paid search advertising for our stores and 25% was spent on other Digital Marketing and Local Media Program related expenses (*i.e.*, PR, agency fees and website related tech fees).

In addition, you must pay a non-refundable New Store Marketing Campaign contribution of up to \$6,000. 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 90 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, we may require you to pay us the New Store Marketing Campaign contribution of up to \$6,000. We may require you to pay us and/or our designated vendors, as we direct. The New Store Marketing Campaign contribution will be due as we direct, beginning at the time you relocate your Store and continuing for up to 90 days. We and the vendor will use such 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.

We may form a local or regional advertising or marketing cooperative in your area. If established, we may require you to 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. 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 and Local Media 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 and Local Media 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, 2025, 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 TRG 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 | \$38,968 |
| Omni-Channel Program Access Fee | \$10,000 |
| Monthly Software Support Fee | Currently \$472 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 \$170 per month |
| Avalara Avatax Service Fee | Varies, currently \$26 per month |
| Payment Gateway Fee | Varies, currently \$22 per month |
| Salesforce.com CRM Fee | Varies, currently \$50 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 180 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 period of up to ninety days for no charge. You may request up to 4 additional monthly extensions; provided you must pay us \$2,500 for each extension we approve. 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 or modify your search area.

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 12 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. After you commercial sales training but before you open the brick and mortar Store, you will begin commercial sales activities. The typical length of time between our acceptance of the Franchise Agreement and beginning commercial sales activities is 3 to 6 months. The typical length of time between our acceptance of the Franchise Agreement and the opening of your brick and mortar 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 12 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 startup and commercial sales effectiveness training programs, are conducted primarily at our corporate training center in Pewaukee, Wisconsin, in one of our Stores and online. We currently offer the initial startup training program 11 to 13 times each year, with one class for commercial and one class for retail generally offered each month. You must attend the one week on-site commercial training in Pewaukee, Wisconsin, within three months of signing your Franchise Agreement. Once completed, you must open your store for commercial sales. Within one month of opening for commercial sales, you must also complete your online training modules covering battery product, bulb product, commercial selling and operations. Once a site is secured, you will attend the one week on-site retail training program offered in Pewaukee, Wisconsin. Once the one week retail training is complete, you will spend an additional week of training in a designated store. The initial startup 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 all the 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 | Batteries Plus Support Offices |
| Commercial Selling | 8 | 0 | Batteries Plus Support Offices |
| Corporate Partnerships | 3 | 0 | Batteries Plus Support Offices |
| Day-to-Day Operations | 4 | 0 | Batteries Plus Support Offices |
| Envisioning the Future | 2 | 0 | Batteries Plus Support Offices |
| Finance and Business Planning | 4 | 0 | Batteries Plus Support Offices |
| Product Knowledge | 14 | 0 | Batteries Plus Support Offices |
| Retail Selling | 3 | 0 | Batteries Plus Support Offices |
| Systems | 12 | 0 | Batteries Plus Support Offices |
| Selling Culture | 4 | 0 | Batteries Plus Support Offices |
| In-Store Training | 0 | 40 | Designated Batteries Plus Store |
| Key FOB | 8 | 0 | Batteries Plus Support Offices |
| Device Repair | 16 | 0 | Batteries Plus Support Offices |
| Post-Classroom Training | | | |
| Pre-Opening Coaching | 80 | | On-site |

Training will be provided at the Batteries Plus Support Office in Pewaukee, Wisconsin or another location we select, at our option.

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 in market training, weekly 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 Franchisee/New Store Commercial Sales Kick Start | First 12 months consists of 120 hours In Market with New Store Commercial Coach – 1-5 hours per week virtual coaching | Virtual/On-Site at your Store |
| New Owner Commercial Sales Introduction | 8 hours classroom | Batteries Plus Support Offices |
| CRM Training & Click2Sell Training | 2 hours coach training | Batteries Plus Support Offices |
| In-Store Lead Generation | Varies: 2-4 hours | Batteries Plus Support Offices |
| Customer Follow-Up | Varies: 2-4 hours | Batteries Plus Support Offices |
| Commercial Market Plan | Varies: 2-4 hours | Batteries Plus Support Offices |
| Time Management & Commercial Tools | Varies: 1-3 hours | Batteries Plus Support Offices |
| Salesforce Training | Varies: 1-3 hours | Batteries Plus Support Offices |
| Value Proposition | Varies: 2-4 hours | Batteries Plus Support Offices |
| Top Industry Training | Varies: 2-4 hours | Batteries Plus Support Offices |
| Ongoing Coaching Calls | Minimum 30 minutes weekly | Virtual |

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 and 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 for retail sales, 2 individuals must attend and successfully complete 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 all annual conferences and regional meetings that we host. We estimate that the fee for such conferences or meetings will range from \$0 to \$1,500. If you fail to attend an annual conference or regional meeting, we may charge you a non-attendance fee, that currently ranges from \$0 to \$2,000 per active Franchise Agreement with a cap of \$10,000 for each franchisee owner group. 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, 2025, is as follows:

| Store Operations Manual | |
|--|-------------------------|
| Sections | Number of Topics |
| Chapter 1: General Information | 3 |
| Chapter 2: The Brand | 5 |
| Chapter 3: The Franchise Relationship | 24 |
| Chapter 4: Brand Operating Standards | 31 |
| Chapter 5: Staffing Best Practices | 10 |
| Chapter 6: Operations Best Practices | 11 |
| Chapter 7: Crisis Management | 6 |
| Chapter 8: Management & Administration | 10 |
| TOTAL | 100 |

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 locate and 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 must 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, among others:

1. 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;
2. 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 websites we establish;
3. To advertise the System on the Internet and create, operate, change or discontinue the use of a website using the Licensed Marks;
4. To grant franchises anywhere outside your Protected Area (or Designated Area under the Multiple Unit Franchise Agreement);
5. To sell anywhere at both wholesale and retail all products and services which are not a part of the System;
6. To operate and franchise others to operate retail stores using different trademarks even if these stores compete with the Stores; and
7. To engage in any transaction, including to purchase or be purchased by, to merge or combine with, to convert to the System or be converted into a new system with any business, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned and whether located inside or outside of the Designated Area, provided that in such situations the newly acquired businesses may not operate under the Licensed Marks in the Designated Area;

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, along with the Omni-Channel Fee. 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.

Commercial Sales Program. You may offer and sell products and services to commercial customers (other than customers under the Key Accounts Program) located inside and outside the Protected Area, only pursuant to our then-current policy on commercial sales as described in the Operations Manual or otherwise in writing ("Commercial Sales Area"). There are no territorial protections for commercial sales, and other Batteries Plus® franchisees may offer and sell products and services to commercial customers located within your Protected Area.

Minimum Annual Net Revenues Quotas

You must meet a minimum annual Net Revenues quota during each full calendar year following the date the Store opens. If you do not do so, we may modify or eliminate your Protected Area. The minimum annual Net Revenues quotas are as follows:

| Calendar year | Minimum Annual Net Revenues |
|------------------------------------|-----------------------------|
| 1 st Full Calendar Year | \$200,000 |
| 2 nd Full Calendar Year | \$300,000 |

| | |
|---|-----------|
| 3 rd Full Calendar Year | \$400,000 |
| 4 th and Subsequent Full Calendar Year | \$500,000 |

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. |

| Provision | Section in Agreement(1) | Summary(1) |
|---|--|---|
| d. Termination by you | Not Applicable | You do not have a right to terminate the Franchise Agreement. |
| 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(A) and (B); Section 13(A) of Multiple Unit Franchise Agreement | <p>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, breach under another Batteries Plus franchise agreement or related party agreement, 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.</p> <p>Multiple Unit Franchise Agreement: You have 30 days to cure failure to meet development requirements, failure to comply with this Agreement, any Franchise Agreement, or any related party agreement, 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.</p> |
| 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> |

| Provision | Section in Agreement(1) | Summary(1) |
|--|---|--|
| i. Your obligations on termination/nonrenewal | Section 17; Sections 13(C), 14, and 15 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 | Sections 15(B) and (C); Section 16(B) 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> |
| 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 16(B) of Multiple Unit Franchise Agreement | <p>Franchise Agreement: New franchisee qualifies (including business and financial qualifications) 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, and transferee will not own more than 6% of all Stores in the system. 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 17(C) | When the Franchise Agreement expires or terminates, we may purchase the assets we designate at book value. |

| Provision | Section in Agreement(1) | Summary(1) |
|---|--|--|
| 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> |
| r. Non-competition covenants after the franchise is terminated or expires | Sections 14(C) and 17(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), 19(U) and 19(S); Sections 18(U) and (S) 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 19(U); Section 18(U) 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> <p>Nothing in these Agreements are intended to disclaim the representations Franchisor made in the franchise disclosure document that Franchisor furnished to Franchisee.</p> |

| Provision | Section in Agreement(1) | Summary(1) |
|---|---|---|
| u. Dispute resolution by arbitration or mediation | Section 18; Section 17 of Multiple Unit Franchise Agreement | <p>Franchise Agreement: Except for actions we bring for excluded claims like monies owed, injunctive or extraordinary relief, or indemnification, all disputes first will be subject to internal dispute resolution and then mediation at our then-current corporate headquarters, which is currently Milwaukee, Wisconsin; then (if not resolved) to binding arbitration in Milwaukee, Wisconsin.</p> <p>Multiple Unit Franchise Agreement: Except for actions we bring for excluded claims like monies owed, injunctive or extraordinary relief, or indemnification, all disputes first will be subject to internal dispute resolution and then mediation at our then-current corporate headquarters, which is currently Milwaukee, Wisconsin; then (if not resolved) to binding arbitration in Milwaukee, Wisconsin.</p> |
| v. Choice of forum | Section 19(D); Section 18(D) of Multiple Unit Franchise Agreement | <p>Franchise Agreement: Litigation not subject to mediation and/or arbitration must be in the city/county and state where our current corporate headquarters is located, currently Waukesha County, Wisconsin (subject to state law).</p> <p>Multiple Unit Franchise Agreement: Litigation not subject to mediation and/or arbitration must be in the city/county and state where our current corporate headquarters is located, currently Waukesha County, Wisconsin (subject to state law).</p> |
| w. Choice of law | Section 19(E); Section 18(E) of Multiple Unit Franchise Agreement | <p>Franchise Agreement: Governing law will be the law of the state where our current corporate headquarters is located, currently Wisconsin (subject to state law).</p> <p>Multiple Unit Franchise Agreement: Governing law will be the law of the state where our current corporate headquarters is located, currently Wisconsin (subject to state law).</p> |

(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. Under Section IV below, we have provided data regarding our sales achievement recipients and qualifying factors. The information below is based on performance during the period from September 1, 2024 through August 31, 2025 (“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. September 1, 2024 to August 31, 2025 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 Fiscal Year. There were 508 franchised-owned Stores open as of August 31, 2025 that also have been open at least 215 days from January 1, 2025 through August 31, 2025, are open standard store hours, sell to both retail and commercial customers, and/or have a minimum required amount of staffing/inventory. Of the 508 All Stores, there were 494 franchise-owned Stores that were in operation for 13 full months at the end of the Fiscal Year (the “Same Stores”). The Same Stores do not include 14 new Stores that opened for retail sales from August 1, 2024 through August 31, 2025.

A. Unaudited 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 Fiscal Year. This statement includes information from Same Stores only (494).

| September 1, 2024-August 31, 2025 Same Store Merchandise Margin | | |
|--|--------------------------------------|-----------------------|
| Stores | Merchandise Margin Percentage | Customer Type |
| 494 | 51.6% | 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. Unaudited 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 Fiscal Year. This statement includes information from All Stores (508).

| September 1, 2024-August 31, 2025 All Store Merchandise Margin by Customer Type | | |
|--|--------------------------------------|----------------------|
| Stores | Merchandise Margin Percentage | Customer Type |
| 408 | 60% | Retail |
| 508 | 39% | Commercial |

C. Unaudited 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 Fiscal Year. This statement includes information from All Stores (508).

| September 1, 2024-August 31, 2024 All Store Percentage of Net Revenue by Customer Type | | |
|---|----------------------------------|----------------------|
| Stores | Percentage of Net Revenue | Customer Type |
| 508 | 59% | Retail |
| 508 | 41% | 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 494 franchised Same Stores that were in operation for at least 12 full months as of August 31, 2025. The data included below is based on sales activity for the Fiscal Year. The chart shows the Average Net Revenue for the 494 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 chart also shows the Average Net Revenue for the 494 Same Stores based on the Average Add-On Margin per each transaction. Average Add-On Margin is the amount of Merchandise Margin added to a single transaction other than the primary item the customer purchased. Average Add-on Margin per Transaction as well as the Average Net Revenue for those Same Stores with an average of \$1.50 or lower Average Add-on Margin per Transaction.

| <u>Store Group</u> | <u>September 1, 2024-August 31, 20225 Median Net Revenue</u> | <u>September 1, 2024-August 31, 20225 Average Net Revenue</u> | <u>Range</u> | <u>September 1, 2024-August 31, 20225 Average Merchandise Margin</u> | <u># of Stores</u> | <u># of Stores Above Average Net Revenue</u> | <u>% of Stores Above Average Net Revenue</u> | <u>Average Store Age as of August 31, 2025</u> |
|--|--|---|-----------------------|--|--------------------|--|--|--|
| More than 35% of Total Net Revenue is Commercial Sales | \$896,377 | \$1,044,798 | \$341,502-\$8,136,121 | \$510,278 | 255 | 96 | 37.6% | 16.3 |
| Less than or equal to 35% of Total Net Revenue is Commercial Sales | \$732,146 | \$819,412 | \$257,416-\$3,077,772 | \$453,170 | 239 | 94 | 39.3% | 16.5 |
| More than \$1.50 Average Add on Margin per Transaction | \$946,478 | \$1,110,315 | \$257,416-\$8,136,121 | \$573,526 | 175 | 63 | 36.0% | 16.3 |
| Less than or equal to \$1.50 Average Add on Margin per Transaction | \$719,868 | \$839,994 | \$328,608-\$3,640,245 | \$432,795 | 319 | 124 | 38.9% | 16.5 |

E. Sales Ticket Amount

The data included below is based on sales activity during the Fiscal Year for the 494 Same Stores. The “Sales Ticket Amount” is the Net Revenue per transaction for items (products) sold in the Store (excluding coupons, core charges, labor charges and related items). The chart below includes the Average and Median Sales Ticket Amount for retail customers, commercial customers and combined retail and commercial customers.

| | <u>Retail Sales Ticket Amount</u> | <u>Commercial Sales Ticket Amount</u> | <u>Total Sales Ticket Amount</u> |
|-------------------------------|-----------------------------------|---------------------------------------|----------------------------------|
| Average | \$53.18 | \$292.20 | \$79.91 |
| Median | \$52.61 | \$243.25 | \$74.46 |
| # (%) Stores at/above the Avg | 237 (48%) | 135 (27%) | 187 (38%) |

F. Commercial Sales Focused Stores

The data included below is based on sales activity during the Fiscal Year for the 494 Same Stores. The first chart shows the Average Net Revenue for the 263 of the 494 Same Stores that were focused on commercial sales (“Commercial Sales Focused Stores”). To qualify as a Commercial Sales Focused Store, a Store must meet all of the following requirements: (1) the Store must employ a full-time employee that is dedicated only to commercial sales; (2) the Store participates in one of the commercial sales assistance programs that we offer; and (3) at least 30% of the Net Revenue of the Store is attributable to commercial services.

The second chart shows the Average Net Revenue for the remaining 231 Stores of the 494 Same Stores that did not meet one or more of the requirements for a Commercial Sales Focused Stores described above.

| Table F-2 – Franchised Commercial Sales Focused Stores | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Top 10% | Top 25% | Top 50% | Top 75% | |
| # of Stores | 24 | 60 | 120 | 180 | |
| Average Net Revenue | \$2,578,430 | \$2,027,850 | \$1,640,733 | \$1,413,139 | |
| Median Net Revenue | \$2,184,048 | \$1,738,459 | \$1,366,930 | \$1,171,484 | |
| Highest Net Revenue | \$8,621,830 | \$8,621,830 | \$8,621,830 | \$8,621,830 | |
| Lowest Net Revenue | \$1,750,238 | \$1,362,345 | \$1,053,502 | \$900,676 | |
| # (and %) of Stores at / above Average Net Revenue | 5 (21%) | 15 (25%) | 28 (23%) | 38 (21%) | |
| | Bottom 10% | Bottom 25% | Bottom 50% | Bottom 75% | All Stores |
| # of Stores | 24 | 60 | 120 | 180 | 240 |
| Average Net Revenue | \$411,527 | \$508,098 | \$652,483 | \$787,250 | \$1,057,629 |
| Median Net Revenue | \$422,642 | \$517,235 | \$647,210 | \$798,454 | \$927,931 |
| Highest Net Revenue | \$500,471 | \$644,184 | \$927,136 | \$1,212,800 | \$8,621,830 |
| Lowest Net Revenue | \$148,040 | \$148,040 | \$148,040 | \$148,040 | \$148,040 |
| # (and %) of Stores at / above Average Net Revenue | 12 (50%) | 34 (57%) | 59 (49%) | 92 (51%) | 86 (36%) |

| Table F-2 – Remaining Franchised Same Stores (Not Commercial Sales Focused) | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Top 10% | | Top 25% | Top 50% | Top 75% |
| # of Stores | 28 | | 70 | 140 | 210 |
| Average Net Revenue | \$1,433,616 | | \$1,105,066 | \$886,098 | \$873,105 |
| Median Net Revenue | \$1,344,239 | | \$987,996 | \$789,030 | \$805,965 |
| Highest Net Revenue | \$2,226,676 | | \$2,226,676 | \$2,313,477 | \$2,313,477 |
| Lowest Net Revenue | \$1,124,944 | | \$724,402 | \$295,436 | \$295,436 |
| # (and %) of Stores at / above Average Net Revenue | 8 (29%) | | 29 (41%) | 58 (41%) | 81 (39%) |
| | Bottom 10% | Bottom 25% | Bottom 50% | Bottom 75% | All Stores |
| # of Stores | 28 | 70 | 140 | 210 | 280 |
| Average Net Revenue | \$386,403 | \$474,878 | \$660,999 | \$663,043 | \$773,548 |
| Median Net Revenue | \$410,590 | \$466,812 | \$620,253 | \$591,446 | \$693,576 |
| Highest Net Revenue | \$448,997 | \$620,228 | \$1,265,665 | \$2,313,477 | \$2,313,477 |
| Lowest Net Revenue | \$155,994 | \$155,994 | \$155,994 | \$155,994 | \$155,994 |
| # (and %) of Stores at / above Average Net Revenue | 20 (71%) | 34 (49%) | 62 (44%) | 80 (38%) | 114 (41%) |

II. Unaudited Statements Of Average Net Revenue for the 2024 Fiscal Year.

Tables A-1, B-1 and C-1 below includes the Average Net Revenue for the Fiscal Year for all 133 corporate Stores that were in operation for at least 12 full months as of August 31, 2025.

Tables A-2, B-2 and C-2 below includes the Average Net Revenue for the Fiscal Year for the 494 franchised Same Stores that were in operation for at least 12 full months as of August 31, 2025.

Tables A-3, B-3 and C-3 below includes the Average Net Revenue for the Fiscal Year for the combined Stores (494 franchised Same Stores and 133 corporate Stores) that were in operation for at least 12 full months as of August 31, 2025.

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

| <u>Table A-1 Corporate Stores</u> | | | | | | |
|--|--|-----------------------------------|----------------------------------|-----------------------------------|----------------------------------|---|
| | <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 | 33 | \$1,624,202 | \$1,406,228 | \$3,511,841 | \$1,167,271 | 12 (36%) |
| Second Quartile | 33 | \$1,032,673 | \$1,021,232 | \$1,156,892 | \$939,411 | 13 (39%) |
| Third Quartile | 33 | \$875,416 | \$885,273 | \$938,246 | \$791,498 | 19 (58%) |
| Bottom Quartile | 34 | \$657,862 | \$668,970 | \$784,120 | \$473,903 | 19 (56%) |
| All Corporate Stores | 133 | \$1,044,609 | \$938,246 | \$3,511,841 | \$473,903 | 44 (33%) |

| <u>Table A-2 Franchised Same Stores</u> | | | | | | |
|--|--|-----------------------------------|----------------------------------|-----------------------------------|----------------------------------|---|
| | <u>Number of Franchise 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 | 123 | \$1,608,969 | \$1,395,387 | \$8,136,121 | \$1,115,042 | 39 (32%) |
| Second Quartile | 123 | \$953,584 | \$951,444 | \$1,114,665 | \$812,819 | 61 (50%) |
| Third Quartile | 124 | \$694,685 | \$691,957 | \$812,783 | \$590,982 | 61 (49%) |
| Bottom Quartile | 124 | \$491,356 | \$499,470 | \$589,753 | \$257,416 | 66 (53%) |
| All Franchised Stores | 494 | \$935,755 | \$811,364 | \$8,136,121 | \$257,416 | 189 (38%) |

| 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 | 156 | \$1,613,183 | \$1,397,886 | \$8,136,121 | \$1,125,983 | 51 (33%) |
| Second Quartile | 157 | \$977,837 | \$965,824 | \$1,125,897 | \$859,143 | 72 (46%) |
| Third Quartile | 157 | \$736,877 | \$732,719 | \$857,092 | \$614,746 | 77 (49%) |
| Bottom Quartile | 157 | \$511,652 | \$524,410 | \$614,609 | \$257,416 | 86 (55%) |
| All Corporate and Franchised Stores | 627 | \$958,845 | \$857,092 | \$8,136,121 | \$257,416 | 242 (39%) |

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 | 44 | \$1,497,706 | \$1,284,415 | \$3,511,841 | \$1,046,464 | 15 (34%) |
| Middle Third | 44 | \$946,448 | \$938,828 | \$1,042,405 | \$864,502 | 20 (45%) |
| Bottom Third | 45 | \$697,560 | \$714,132 | \$854,710 | \$473,903 | 25 (56%) |
| All Corporate Stores | 133 | \$1,044,609 | \$938,246 | \$3,511,841 | \$473,903 | 44 (33%) |

| 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 | 164 | \$1,470,450 | \$1,286,720 | \$8,136,121 | \$990,276 | 51 (31%) |
| Middle Third | 165 | \$816,985 | \$812,783 | \$990,068 | \$655,189 | 80 (48%) |
| Bottom Third | 165 | \$523,072 | \$532,386 | \$654,850 | \$257,416 | 89 (54%) |
| All Franchised Stores | 494 | \$935,755 | \$811,364 | \$8,136,121 | \$257,416 | 189 (38%) |

| Table B-2 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 Third | 209 | \$1,474,917 | \$1,284,775 | \$8,136,121 | \$1,012,382 | 66 (32%) |
| Middle Third | 209 | \$854,033 | \$857,092 | \$1,011,456 | \$700,456 | 107 (51%) |
| Bottom Third | 209 | \$547,586 | \$566,152 | \$700,191 | \$257,416 | 117 (56%) |
| All Corporate and Franchised Stores | 627 | \$958,845 | \$857,092 | \$8,136,121 | \$257,416 | 242 (39%) |

C. Unaudited Statements Of Average Net Revenue by Percentages

| Table C-1 Corporate Stores | | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|------------------------------------|
| | <u>Top 10%</u> | <u>Top 25%</u> | <u>Top 50%</u> | <u>Top 75%</u> | |
| # of Stores | 13 | 33 | 66 | 99 | |
| Average Net Revenue | \$2,102,386 | \$1,624,202 | \$1,328,438 | \$1,177,431 | |
| Median Net Revenue | \$1,934,856 | \$1,406,228 | \$1,162,081 | \$1,021,232 | |
| Highest Net Revenue | \$3,511,841 | \$3,511,841 | \$3,511,841 | \$3,511,841 | |
| Lowest Net Revenue | \$1,602,064 | \$1,167,271 | \$939,411 | \$791,498 | |
| # (and %) of Corporate Stores at / above Average Net Revenue | 4 (31%) | 12 (36%) | 20 (30%) | 31 (31%) | |
| | <u>Bottom 10%</u> | <u>Bottom 25%</u> | <u>Bottom 50%</u> | <u>Bottom 75%</u> | <u>All Corporate Stores</u> |
| # of Stores | 13 | 33 | 66 | 99 | 133 |
| Average Net Revenue | \$560,639 | \$654,036 | \$762,391 | \$850,277 | \$1,044,609 |
| Median Net Revenue | \$571,795 | \$664,121 | \$783,149 | \$883,030 | \$938,246 |
| Highest Net Revenue | \$604,187 | \$782,179 | \$932,829 | \$1,148,863 | \$3,511,841 |
| Lowest Net Revenue | \$473,903 | \$473,903 | \$473,903 | \$473,903 | \$473,903 |
| # (and %) of Corporate Stores at / above Average Net Revenue | 9 (69%) | 18 (55%) | 38 (58%) | 55 (56%) | 44 (33%) |

| Table C-2 Franchised Stores | | | | |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>Top 10%</u> | <u>Top 25%</u> | <u>Top 50%</u> | <u>Top 75%</u> |
| # of Stores | 49 | 123 | 247 | 370 |
| Average (Net Revenue) | \$2,112,191 | \$1,608,969 | \$1,279,380 | \$1,084,689 |

| | | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Median (Net Revenue) | \$1,868,217 | \$1,395,387 | \$1,114,665 | \$950,316 | |
| Highest (Net Revenue) | \$8,136,121 | \$8,136,121 | \$8,136,121 | \$8,136,121 | |
| Lowest (Net Revenue) | \$1,490,536 | \$1,115,042 | \$812,783 | \$590,982 | |
| # (%) Franchised Stores at / above Average Net Revenue | 16 (33%) | 39 (32%) | 84 (34%) | 134 (36%) | |
| | <u>Bottom 10%</u> | <u>Bottom 25%</u> | <u>Bottom 50%</u> | <u>Bottom 75%</u> | <u>All Stores</u> |
| # of Stores | 49 | 123 | 247 | 370 | 494 |
| Average (Net Revenue) | \$416,687 | \$490,556 | \$592,131 | \$711,474 | \$935,755 |
| Median (Net Revenue) | \$429,504 | \$498,587 | \$589,753 | \$690,128 | \$811,364 |
| Highest (Net Revenue) | \$476,202 | \$587,492 | \$809,945 | \$1,112,326 | \$8,136,121 |
| Lowest (Net Revenue) | \$257,416 | \$257,416 | \$257,416 | \$257,416 | \$257,416 |
| # (%) Franchised Stores at / above Average Net Revenue | 29 (59%) | 65 (33%) | 122 (49%) | 176 (48%) | 189 (38%) |

| Table C-3 Corporate and Franchised Stores | | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | <u>Top 10%</u> | <u>Top 25%</u> | <u>Top 50%</u> | <u>Top 75%</u> | |
| # of Stores | 62 | 156 | 313 | 470 | |
| Average (Net Revenue) | \$2,112,099 | \$1,613,183 | \$1,294,495 | \$1,108,227 | |
| Median (Net Revenue) | \$1,881,933 | \$1,397,886 | \$1,125,897 | \$965,303 | |
| Highest (Net Revenue) | \$8,136,121 | \$8,136,121 | \$8,136,121 | \$8,136,121 | |
| Lowest (Net Revenue) | \$1,503,820 | \$1,125,983 | \$859,143 | \$614,746 | |
| # (%) Corporate and Franchised Stores at / above Average Net Revenue | 20 (32%) | 51 (33%) | 100 (32%) | 167 (36%) | |
| | <u>Bottom 10%</u> | <u>Bottom 25%</u> | <u>Bottom 50%</u> | <u>Bottom 75%</u> | <u>All Stores</u> |
| # of Stores | 62 | 156 | 313 | 470 | 627 |
| Average (Net Revenue) | \$431,430 | \$510,992 | \$623,521 | \$741,306 | \$958,845 |
| Median (Net Revenue) | \$439,439 | \$523,386 | \$614,609 | \$732,714 | \$857,092 |
| Highest (Net Revenue) | \$496,785 | \$613,881 | \$854,710 | \$1,125,205 | \$8,136,121 |
| Lowest (Net Revenue) | \$257,416 | \$257,416 | \$257,416 | \$257,416 | \$257,416 |
| # (%) Corporate and Franchised Stores at / above Average Net Revenue | 36 (58%) | 86 (55%) | 147 (47%) | 232 (49%) | 242 (39%) |

III. Unaudited Statement of Net Revenue, Cost of Goods, Payroll, Marketing, Royalties, and Gross Profit for the 2024 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 2024 Fiscal Year for the 116 company-owned Stores that were in operation for at least 12 full months as of December 31, 2024 and that our affiliate owned for the entire 12-month period (“Company-Owned Stores”). As of December 31, 2024, there were 133 corporate Stores in operation but 17 corporate Stores were excluded because our affiliate purchased these Stores from franchisees during the 2024 Fiscal Year and did not own or operate these Stores during the entire 12 month period ended December 31, 2024.

| | 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 | 38 | 39 | 39 | 116 |
| Net Revenue | \$1,315,410 | \$949,854 | \$703,831 | \$986,891 |
| Cost of Goods Sold | \$650,148 | \$476,295 | \$353,650 | \$492,013 |
| Gross Profit Margin | \$665,262 | \$473,560 | \$350,181 | \$494,878 |
| Wages & Comp | \$197,296 | \$177,056 | \$160,227 | \$178,029 |
| Selling Expense | \$22,306 | \$17,158 | \$14,258 | \$17,869 |
| Delivery Expense | \$3,641 | \$3,190 | \$2,997 | \$3,273 |
| Facilities & Office | \$80,334 | \$71,973 | \$77,276 | \$76,495 |
| Admin Expense | \$13,361 | \$13,262 | \$13,126 | \$13,249 |
| Marketing | \$65,771 | \$47,493 | \$35,192 | \$49,345 |
| Royalties | \$65,771 | \$47,493 | \$35,192 | \$49,345 |
| Total Expenses | \$448,479 | \$377,625 | \$338,268 | \$387,604 |
| EBITDA | \$216,783 | 95,934 | \$11,913 | \$107,274 |

The following information supplements the information in the chart above:

| | Top Third | Middle Third | Bottom Third | All Stores |
|---|------------|--------------|--------------|-------------|
| Median EBITDA | \$214,648 | \$88,095 | \$13,969 | \$100,057 |
| Range of EBITDA (Low) | \$129,572 | \$66,173 | \$(112,514) | \$(112,514) |
| Range of EBITDA (High) | \$528,814 | \$127,583 | \$62,400 | \$528,814 |
| # (%) of Stores that met/exceeded average | 14 (36.8%) | 19 (48.7%) | 21 (53.8%) | 51 (44.0%) |

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, 2024. The monthly statements in the table below include information from the 133 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 6 corporate stores that closed during the 2024 Fiscal Year.

| 2024 | Jan | Feb | March | April | May | June | July | Aug | Sept | Oct | Nov | Dec | Annual |
|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| # of Stores | 116 | 116 | 116 | 120 | 120 | 120 | 120 | 120 | 133 | 133 | 133 | 133 | 133 |
| Net Revenue | \$82,352 | \$72,550 | \$79,579 | \$84,157 | \$88,880 | \$81,374 | \$86,573 | \$82,613 | \$82,183 | \$95,469 | \$82,050 | \$89,556 | \$1,007,336 |
| Cost of Goods Sold | \$40,072 | \$36,845 | \$40,413 | \$43,786 | \$46,419 | \$41,149 | \$45,119 | \$41,728 | \$39,081 | \$45,207 | \$37,585 | \$40,408 | \$497,812 |
| Gross Profit Margin | \$42,279 | \$35,705 | \$39,166 | \$40,371 | \$42,461 | \$40,224 | \$41,455 | \$40,885 | \$43,102 | \$50,262 | \$44,465 | \$49,148 | \$509,523 |
| Wages | \$14,885 | \$14,174 | \$14,740 | \$14,562 | \$15,193 | \$14,257 | \$14,978 | \$14,761 | \$15,401 | \$16,811 | \$15,459 | \$16,663 | \$181,886 |
| Selling Expense | \$1,469 | \$1,381 | \$1,273 | \$1,419 | \$1,536 | \$1,497 | \$1,498 | \$1,540 | \$1,450 | \$1,799 | \$1,589 | \$1,620 | \$18,071 |
| Delivery Expense | \$260 | \$227 | \$201 | \$202 | \$318 | \$295 | \$306 | \$257 | \$293 | \$280 | \$250 | \$346 | \$3,237 |
| Facilities & Office | \$6,649 | \$6,629 | \$6,672 | \$6,227 | \$6,427 | \$6,321 | \$6,527 | \$6,442 | \$6,477 | \$6,488 | \$6,646 | \$6,064 | \$77,570 |
| Admin Expense | \$1,048 | \$1,101 | \$1,051 | \$1,009 | \$1,153 | \$1,102 | \$1,041 | \$1,191 | \$1,167 | \$1,254 | \$1,128 | \$1,127 | \$13,370 |
| Marketing | \$4,118 | \$3,627 | \$3,979 | \$4,208 | \$4,444 | \$4,069 | \$4,329 | \$4,131 | \$4,109 | \$4,773 | \$4,102 | \$4,478 | \$50,367 |
| Royalties | \$4,118 | \$3,627 | \$3,979 | \$4,208 | \$4,444 | \$4,069 | \$4,329 | \$4,131 | \$4,109 | \$4,773 | \$4,102 | \$4,478 | \$50,367 |
| Total Expenses | \$32,546 | \$30,767 | \$31,896 | \$31,836 | \$33,515 | \$31,610 | \$33,008 | \$32,453 | \$33,007 | \$36,179 | \$33,277 | \$34,775 | \$394,869 |
| EBITDA | \$9,733 | \$4,938 | \$7,271 | \$8,536 | \$8,946 | \$8,615 | \$8,447 | \$8,432 | \$10,095 | \$14,083 | \$11,189 | \$14,373 | \$114,655 |

The following information supplements the information in the chart above:

| 2024 | Jan | Feb | March | April | May | June |
|---------------------------------------|------------|------------|--------------|--------------|------------|-------------|
| Average Net Revenue | \$82,352 | \$72,550 | \$79,579 | \$84,157 | \$88,880 | \$81,374 |
| Median Net Revenue | \$75,225 | \$67,203 | \$75,042 | \$76,023 | \$82,449 | \$76,600 |
| Range of Net Revenue (low) | \$34,564 | \$23,781 | \$26,807 | \$34,854 | \$36,036 | \$36,008 |
| Range of Net Revenue (high) | \$205,980 | \$253,670 | \$261,803 | \$237,415 | \$220,705 | \$187,552 |
| # of Stores that met/exceeded average | 42 | 48 | 46 | 44 | 47 | 51 |
| % of Stores that met/exceed average | 36.2% | 41.4% | 39.7% | 36.7% | 39.2% | 42.5% |
| Average EBITDA | \$9,733 | \$4,938 | \$7,271 | \$8,536 | \$8,946 | \$8,615 |
| Median EBITDA | \$8,507 | \$4,891 | \$6,526 | \$7,713 | \$7,539 | \$7,742 |
| Range EBITDA (low) | (\$7,810) | (\$12,028) | (\$15,581) | (\$8,915) | (\$7,296) | (\$9,120) |

| 2024 | Jan | Feb | March | April | May | June |
|---|------------|------------|--------------|--------------|------------|-------------|
| Range EBITDA (high) | \$45,136 | 40,003 | \$53,738 | \$48,571 | \$39,530 | \$37,125 |
| # (%) of Stores that met/exceeded average | 50 | 56 | 55 | 50 | 53 | 53 |
| % of Stores that met/exceed average | 36.2% | 41.4% | 39.7% | 36.7% | 39.2% | 42.5% |

| 2023 | July | Aug | Sept | Oct | Nov | Dec |
|---|-------------|------------|-------------|------------|------------|------------|
| Average Net Revenue | \$86,573 | \$82,613 | \$82,183 | \$95,469 | \$82,050 | \$89,556 |
| Median Net Revenue | \$78,539 | \$77,325 | \$75,282 | \$86,365 | \$74,252 | \$77,668 |
| Range of Net Revenue (low) | \$31,985 | \$35,149 | \$30,369 | \$36,689 | \$32,765 | \$37,922 |
| Range of Net Revenue (high) | \$358,958 | \$197,794 | \$246,428 | \$368,521 | \$267,985 | \$306,181 |
| # (%) of Stores that met/exceeded average | 48 | 49 | 53 | 52 | 50 | 50 |
| % of Stores that met/exceed average | 40.0% | 40.8% | 39.8% | 39.1% | 37.6% | 37.6% |
| Average EBITDA | \$8,447 | \$8,432 | \$10,095 | \$14,083 | \$11,189 | \$14,373 |
| Median EBITDA | \$7,205 | \$7,124 | \$7,653 | \$11,160 | \$8,607 | \$10,295 |
| Range EBITDA (low) | (\$22,156) | (\$9,335) | (\$16,931) | (\$9,339) | (\$10,021) | (\$7,590) |
| Range EBITDA (high) | \$43,288 | \$50,414 | \$55,064 | \$86,533 | \$61,479 | \$78,322 |
| # (%) of Stores that met/exceeded average | 49 | 56 | 54 | 54 | 52 | 47 |
| % of Stores that met/exceed average | 40.8% | 46.7% | 40.6% | 40.6% | 39.1% | 35.3% |

“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 2024 calendar year. “Net Revenge” 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. Selling Expenses do not include business meals, travel expenses and sample equipment.

E. “Delivery Expense” includes vehicle gas, vehicle insurance expenses, and shipping expenses. Delivery Expense does not include vehicle repairs.

F. “Facilities and Office” includes business insurance, building rent, CAM, property tax, security, snow removal and lawn care, utilities and waste management. Facilities and Office does not include building repairs or equipment.

G. “Admin” includes IT data lines, IT Maintenance fee, supplies and telephone expense. Admin does not include bad debt, cellular phone expenses, or donations.

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.

IV. Sales Achievement Recipients for the 2024 Fiscal Year.

A. Sales Achievement Club Level Recipients

The Sales Achievement Awards are presented annually to franchise owners whose Stores were in operation as of the end of the previous fiscal year and meet defined Net Revenue thresholds during the previous fiscal year. These awards are divided into three club levels based on the Store’s Net Revenues in the previous fiscal year:

- **President's Club:** Awarded to franchised Stores with annual Net Revenue between \$1 million and \$1.49 million.

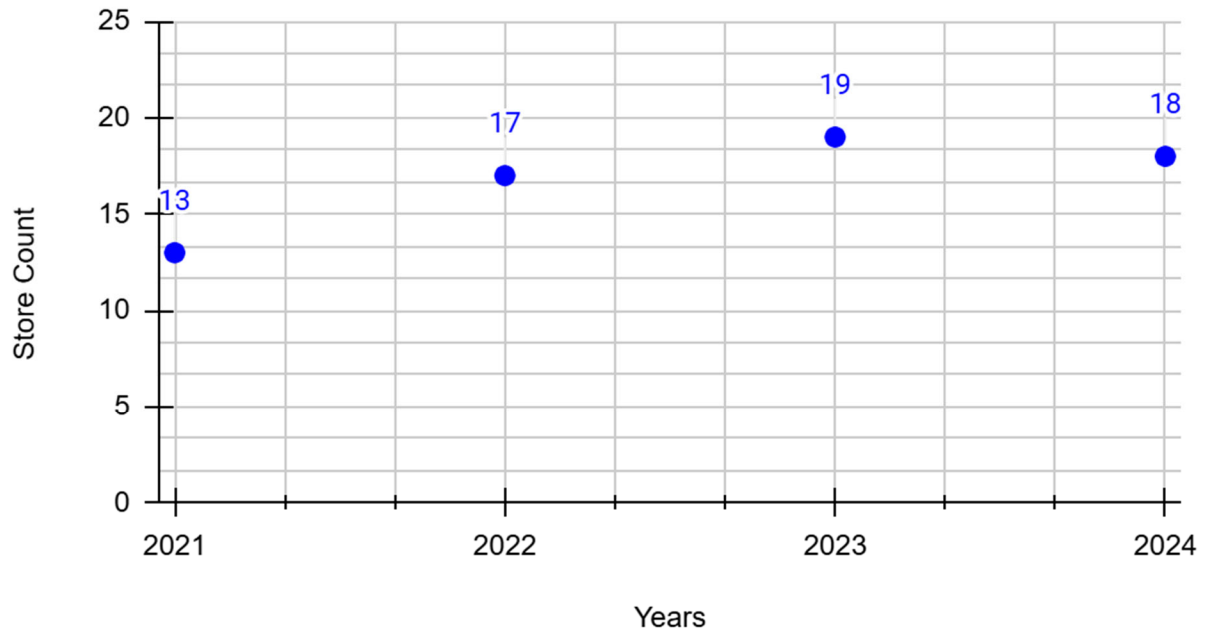
- **Platinum Club:** Awarded to franchised Stores with annual Net Revenue between \$1.5 million and \$1.9 million.
- **Diamond Club:** Awarded to franchised Stores with annual Net Revenue of \$2 million or more.

“All Other Franchised Stores” refers to those franchise Stores in operation as of the end of the fiscal year that did not receive a Sales Achievement Award.

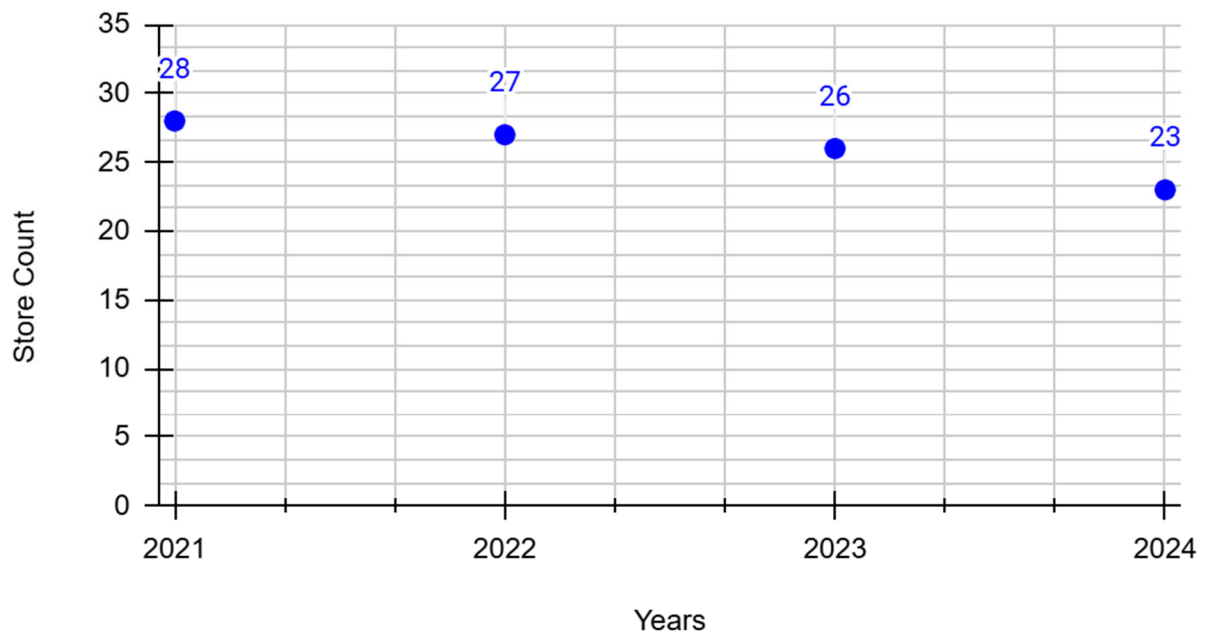
Franchise owners may receive recognition for multiple Stores that qualify, with awards being presented in the calendar year following the close of the fiscal year in which the Net Revenue was achieved. Additionally, Stores may be recognized for achieving top sales in specific categories, with one award given per category. The following tables and charts detail the awards presented in 2021, 2022, 2023, and 2024 for achievements earned in the respective prior fiscal years.

| Sales Achievement Club Level Store Count for 2021, 2022, and 2023 | | | | |
|---|------|------|------|------|
| Year of Net Revenue | 2021 | 2022 | 2023 | 2024 |
| Diamond Club (\$2M+ in Net Revenue) | 13 | 17 | 19 | 18 |
| Platinum Club (\$1.5M-\$1.9M in Net Revenue) | 28 | 27 | 26 | 23 |
| Presidents Club (\$1M-\$1.49M in Net Revenue) | 50 | 52 | 114 | 125 |
| All Other Franchised Stores | 499 | 513 | 447 | 451 |

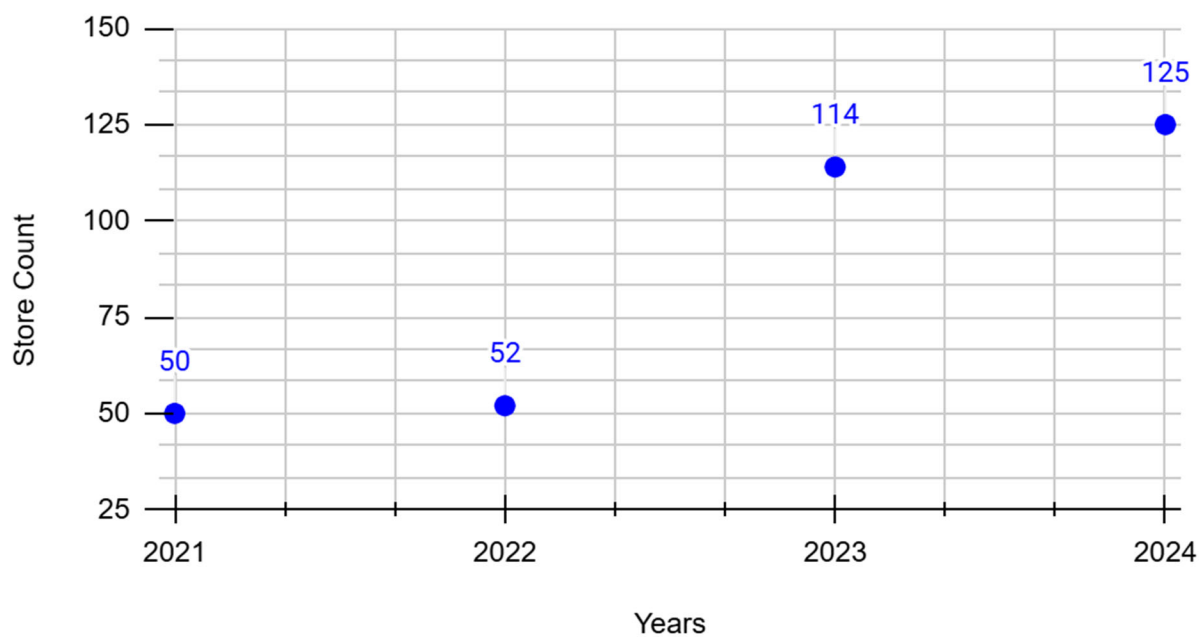
Diamond Club (\$2M+ in Net Revenue)



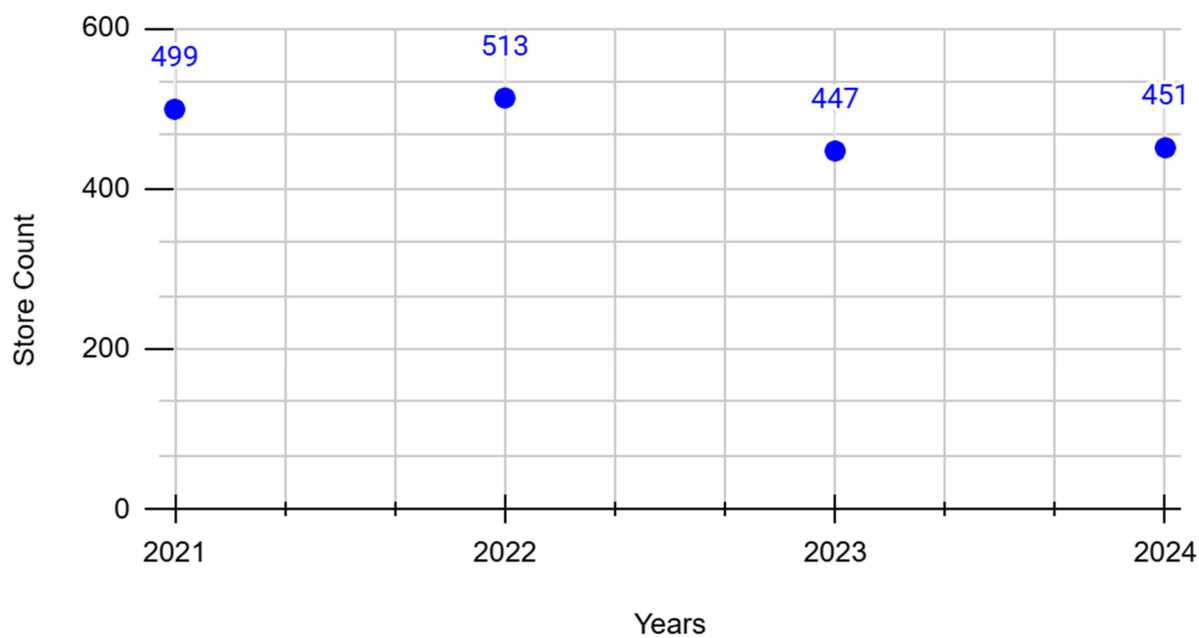
Platinum Club (\$1.5M-\$1.9M in Net Revenue)



Presidents Club (\$1M - \$1.49M in Net Revenue)



All Other Franchised Stores



B. Sales Achievement Individual Category Recipients

The Sales Achievement Individual Categories are presented annually to franchise owners whose Stores were in operation all of the applicable fiscal year and hit the highest Net Revenue for each of the categories described below. The following tables and charts detail the highest and lowest Net Revenue for each category in 2021, 2022, 2023, and 2024.

| Sales Achievement Category Top & Bottom Net Revenue for Individual Stores for Years 2021-2024 | | | | |
|--|-------------|-------------|-------------|-------------|
| Year | 2021 | 2022 | 2023 | 2024 |
| Top Device Repair Net Revenue | \$571,636 | \$511,453 | \$517,505 | \$925,256 |
| Bottom Device Repair Net Revenue | \$2,389 | \$1,773 | \$682 | \$60 |
| Top Key Fob Net Revenue | \$447,756 | \$510,799 | \$563,203 | \$602,965 |
| Bottom Key Fob Net Revenue | \$4 | \$7 | \$5 | \$6 |
| Top Auto Net Revenue | \$699,642 | \$757,656 | \$671,069 | \$877,988 |
| Bottom Auto Net Revenue | \$5,910 | \$10,000 | \$13,343 | \$4,577 |
| Top Commercial Net Revenue | \$4,998,623 | \$5,826,329 | \$6,409,903 | \$7,273,520 |
| Bottom Commercial Net Revenue | \$15,099 | \$19,536 | \$20,755 | \$7,524 |
| Top Retail Net Revenue | \$2,298,724 | \$2,209,247 | \$2,340,471 | \$2,485,790 |
| Bottom Retail Net Revenue | \$118,025 | \$155,763 | \$119,881 | \$14,328 |
| Top Total Net Revenue | \$6,315,295 | \$7,176,010 | \$7,773,199 | \$8,622,305 |
| Bottom Total Net Revenue | \$133,124 | \$184,245 | \$176,032 | \$21,853 |

1. “Device Repair Net Revenue” is the Store’s Net Revenue attributable to the repair and replacement of screens and batteries in items such as smart phones, tablets and other electric devices.
2. “Key Fob Net Revenue” is the Store’s Net Revenue attributable to key fob repair and replacement services.
3. “Auto Net Revenue” is the Store’s Net Revenue attributable to sale of auto batteries and bulbs.
4. “Commercial Net Revenue” is all of the Store’s Net Revenue attributable to commercial accounts (which may include a portion of Device Repair Net Revenue, Key Fob Net Revenue and Auto Net Revenue that is attributable to a commercial account).
5. “Retail Net Revenue” is the Store’s Net Revenue attributable to retail sales from a physical Store, excluding any Commercial Net Revenue (which may include a portion of Device Repair Net Revenue, Key Fob Net Revenue and Auto Net Revenue that is not attributable to a commercial account).

Some Stores have attained the results described above in Sections I, II, III, IV and V. 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 Jon Sica, 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 2022-2024

| Store Type | Year | Stores at the Start of the Year | Stores at the End of the Year | Net Change |
|----------------------|------|---------------------------------|-------------------------------|------------|
| Franchised | 2022 | 590 | 609 | +19 |
| | 2023 | 609 | 606 | -3 |
| | 2024 | 606 | 604 | -2 |
| Company-Owned | 2022 | 112 | 112 | 0 |
| | 2023 | 112 | 116 | +4 |
| | 2024 | 116 | 133 | +17 |
| Total Stores | 2022 | 702 | 721 | +19 |
| | 2023 | 721 | 722 | +1 |
| | 2024 | 722 | 737 | +15 |

TABLE NUMBER 2
Transfers of Stores From Franchisee to New Owners (Other than the Franchisor)
For Years 2022-2024

| State | Year | Number of Transfers |
|-------------------|------|---------------------|
| Alabama | 2022 | 6 |
| | 2023 | 0 |
| | 2024 | 0 |
| Arizona | 2022 | 4 |
| | 2023 | 0 |
| | 2024 | 16 |
| California | 2022 | 2 |
| | 2023 | 3 |
| | 2024 | 0 |

| State | Year | Number of Transfers |
|---------------|------|---------------------|
| Florida | 2022 | 5 |
| | 2023 | 1 |
| | 2024 | 3 |
| Georgia | 2022 | 10 |
| | 2023 | 5 |
| | 2024 | 0 |
| Idaho | 2022 | 1 |
| | 2023 | 0 |
| | 2024 | 0 |
| Illinois | 2022 | 7 |
| | 2023 | 1 |
| | 2024 | 0 |
| Indiana | 2022 | 0 |
| | 2023 | 0 |
| | 2024 | 1 |
| Iowa | 2022 | 2 |
| | 2023 | 4 |
| | 2024 | 0 |
| Louisiana | 2022 | 1 |
| | 2023 | 1 |
| | 2024 | 0 |
| Massachusetts | 2022 | 0 |
| | 2023 | 1 |
| | 2024 | 0 |
| Michigan | 2022 | 5 |
| | 2023 | 3 |
| | 2024 | 0 |
| Missouri | 2022 | 0 |
| | 2023 | 1 |
| | 2024 | 0 |
| Montana | 2022 | 0 |
| | 2023 | 3 |
| | 2024 | 0 |
| Nevada | 2022 | 0 |
| | 2023 | 1 |
| | 2024 | 0 |
| New Jersey | 2022 | 0 |
| | 2023 | 2 |
| | 2024 | 0 |
| New Mexico | 2022 | 1 |
| | 2023 | 1 |
| | 2024 | 0 |

| State | Year | Number of Transfers |
|----------------|------|---------------------|
| North Carolina | 2022 | 2 |
| | 2023 | 1 |
| | 2024 | 0 |
| North Dakota | 2022 | 0 |
| | 2023 | 1 |
| | 2024 | 0 |
| Ohio | 2022 | 0 |
| | 2023 | 1 |
| | 2024 | 0 |
| Pennsylvania | 2022 | 0 |
| | 2023 | 1 |
| | 2024 | 2 |
| South Carolina | 2022 | 0 |
| | 2023 | 1 |
| | 2024 | 0 |
| South Dakota | 2022 | 0 |
| | 2023 | 1 |
| | 2024 | 0 |
| Texas | 2022 | 3 |
| | 2023 | 11 |
| | 2024 | 3 |
| Utah | 2022 | 2 |
| | 2023 | 0 |
| | 2024 | 0 |
| Virginia | 2022 | 0 |
| | 2023 | 3 |
| | 2024 | 0 |
| Wisconsin | 2022 | 1 |
| | 2023 | 0 |
| | 2024 | 0 |
| Wyoming | 2022 | 1 |
| | 2023 | 0 |
| | 2024 | 0 |
| TOTAL | 2022 | 53 |
| | 2023 | 46 |
| | 2024 | 25 |

TABLE NUMBER 3
Status of Franchised Stores
For Years 2022-2024

| 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 | 2022 | 13 | 1 | 0 | 0 | 0 | 0 | 14 |
| | 2023 | 14 | 0 | 0 | 0 | 0 | 2 | 12 |
| | 2024 | 12 | 0 | 1 | 0 | 0 | 0 | 11 |
| Alaska | 2022 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2024 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Arizona | 2022 | 25 | 2 | 0 | 0 | 0 | 0 | 27 |
| | 2023 | 27 | 1 | 0 | 0 | 0 | 1 | 27 |
| | 2024 | 27 | 1 | 0 | 0 | 0 | 0 | 28 |
| Arkansas | 2022 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2024 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| California | 2022 | 41 | 4 | 0 | 0 | 0 | 4 | 41 |
| | 2023 | 41 | 3 | 0 | 1 | 0 | 3 | 40 |
| | 2024 | 40 | 1 | 0 | 0 | 0 | 1 | 40 |
| Colorado | 2022 | 11 | 1 | 0 | 0 | 0 | 0 | 12 |
| | 2023 | 12 | 1 | 0 | 0 | 0 | 0 | 13 |
| | 2024 | 13 | 0 | 0 | 0 | 0 | 1 | 12 |
| Connecticut | 2022 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2023 | 3 | 1 | 0 | 0 | 0 | 1 | 3 |
| | 2024 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Florida | 2022 | 60 | 3 | 0 | 0 | 0 | 5 | 58 |
| | 2023 | 58 | 6 | 0 | 1 | 0 | 1 | 62 |
| | 2024 | 62 | 7 | 0 | 0 | 4 | 1 | 64 |
| Georgia | 2022 | 29 | 5 | 0 | 0 | 0 | 3 | 31 |
| | 2023 | 31 | 3 | 2 | 0 | 0 | 0 | 32 |
| | 2024 | 32 | 1 | 0 | 0 | 0 | 0 | 33 |
| Idaho | 2022 | 7 | 1 | 0 | 0 | 0 | 0 | 8 |
| | 2023 | 8 | 0 | 0 | 0 | 0 | 1 | 7 |
| | 2024 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| Illinois | 2022 | 19 | 2 | 0 | 0 | 0 | 1 | 20 |
| | 2023 | 20 | 0 | 0 | 1 | 0 | 1 | 18 |
| | 2024 | 18 | 0 | 0 | 0 | 0 | 1 | 17 |
| Indiana | 2022 | 18 | 0 | 0 | 0 | 0 | 0 | 18 |
| | 2023 | 18 | 0 | 0 | 0 | 0 | 0 | 18 |
| | 2024 | 18 | 0 | 0 | 0 | 0 | 0 | 18 |

| 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 |
|---------------|------|---------------------------------|---------------|--------------|--------------|--------------------------|-----------------------------------|-------------------------------|
| Iowa | 2022 | 9 | 1 | 0 | 0 | 0 | 1 | 9 |
| | 2023 | 9 | 0 | 0 | 0 | 0 | 0 | 9 |
| | 2024 | 9 | 0 | 0 | 0 | 0 | 0 | 9 |
| Kansas | 2022 | 3 | 1 | 0 | 0 | 0 | 0 | 4 |
| | 2023 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2024 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| Kentucky | 2022 | 8 | 0 | 0 | 0 | 0 | 0 | 8 |
| | 2023 | 8 | 0 | 0 | 0 | 0 | 1 | 7 |
| | 2024 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| Louisiana | 2022 | 4 | 2 | 0 | 0 | 0 | 0 | 6 |
| | 2023 | 6 | 1 | 0 | 0 | 0 | 0 | 7 |
| | 2024 | 7 | 2 | 0 | 0 | 0 | 0 | 9 |
| Maine | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Maryland | 2022 | 7 | 2 | 0 | 0 | 0 | 1 | 8 |
| | 2023 | 8 | 0 | 0 | 0 | 0 | 0 | 8 |
| | 2024 | 8 | 0 | 0 | 1 | 0 | 0 | 7 |
| Massachusetts | 2022 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2023 | 3 | 1 | 0 | 0 | 0 | 0 | 4 |
| | 2024 | 4 | 1 | 0 | 0 | 0 | 0 | 5 |
| Michigan | 2022 | 23 | 0 | 0 | 0 | 0 | 0 | 23 |
| | 2023 | 23 | 0 | 0 | 0 | 0 | 2 | 21 |
| | 2024 | 21 | 2 | 0 | 0 | 0 | 0 | 23 |
| Minnesota | 2022 | 23 | 0 | 0 | 0 | 0 | 0 | 23 |
| | 2023 | 23 | 0 | 0 | 0 | 0 | 0 | 23 |
| | 2024 | 23 | 0 | 0 | 0 | 0 | 0 | 23 |
| Mississippi | 2022 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| | 2023 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| | 2024 | 6 | 0 | 0 | 0 | 0 | 1 | 5 |
| Missouri | 2022 | 8 | 2 | 0 | 0 | 0 | 1 | 9 |
| | 2023 | 9 | 0 | 0 | 0 | 0 | 1 | 8 |
| | 2024 | 8 | 0 | 0 | 0 | 0 | 0 | 8 |
| Montana | 2022 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| | 2023 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| | 2024 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| Nebraska | 2022 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2023 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2024 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |

| 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 |
|----------------|------|---------------------------------|---------------|--------------|--------------|--------------------------|-----------------------------------|-------------------------------|
| Nevada | 2022 | 9 | 1 | 0 | 0 | 0 | 0 | 10 |
| | 2023 | 10 | 2 | 0 | 0 | 0 | 0 | 12 |
| | 2024 | 12 | 0 | 0 | 0 | 0 | 0 | 12 |
| New Hampshire | 2022 | 6 | 1 | 0 | 0 | 0 | 0 | 7 |
| | 2023 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| | 2024 | 7 | 0 | 0 | 0 | 0 | 1 | 6 |
| New Jersey | 2022 | 8 | 1 | 0 | 0 | 0 | 1 | 8 |
| | 2023 | 8 | 0 | 0 | 0 | 0 | 0 | 8 |
| | 2024 | 8 | 1 | 0 | 0 | 0 | 0 | 9 |
| New Mexico | 2022 | 4 | 2 | 0 | 0 | 0 | 0 | 6 |
| | 2023 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| | 2024 | 6 | 1 | 1 | 0 | 0 | 0 | 6 |
| New York | 2022 | 1 | 1 | 0 | 0 | 0 | 1 | 1 |
| | 2023 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 1 | 0 | 0 | 0 | 0 | 3 |
| North Carolina | 2022 | 25 | 1 | 0 | 0 | 0 | 2 | 24 |
| | 2023 | 24 | 2 | 0 | 0 | 0 | 0 | 26 |
| | 2024 | 26 | 4 | 0 | 1 | 0 | 0 | 29 |
| North Dakota | 2022 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2023 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2024 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| Ohio | 2022 | 15 | 1 | 0 | 0 | 0 | 0 | 16 |
| | 2023 | 16 | 0 | 0 | 0 | 0 | 2 | 14 |
| | 2024 | 14 | 2 | 0 | 0 | 0 | 0 | 16 |
| Oklahoma | 2022 | 8 | 0 | 0 | 0 | 6 | 0 | 2 |
| | 2023 | 2 | 2 | 0 | 0 | 0 | 0 | 4 |
| | 2024 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| Oregon | 2022 | 13 | 1 | 0 | 0 | 0 | 0 | 14 |
| | 2023 | 14 | 0 | 0 | 0 | 0 | 0 | 14 |
| | 2024 | 14 | 0 | 0 | 0 | 11 | 0 | 3 |
| Pennsylvania | 2022 | 17 | 2 | 0 | 1 | 0 | 1 | 18 |
| | 2023 | 18 | 1 | 0 | 1 | 0 | 0 | 18 |
| | 2024 | 18 | 0 | 0 | 0 | 0 | 0 | 18 |
| South Carolina | 2022 | 9 | 2 | 0 | 0 | 0 | 0 | 11 |
| | 2023 | 11 | 0 | 0 | 0 | 0 | 1 | 10 |
| | 2024 | 10 | 1 | 0 | 0 | 0 | 0 | 11 |
| South Dakota | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |

| 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 |
|---------------|------|---------------------------------|---------------|--------------|--------------|--------------------------|-----------------------------------|-------------------------------|
| Tennessee | 2022 | 18 | 0 | 0 | 0 | 0 | 0 | 18 |
| | 2023 | 18 | 0 | 0 | 0 | 0 | 0 | 18 |
| | 2024 | 18 | 0 | 0 | 0 | 0 | 2 | 16 |
| Texas | 2022 | 54 | 7 | 0 | 0 | 0 | 2 | 59 |
| | 2023 | 59 | 4 | 0 | 1 | 0 | 0 | 62 |
| | 2024 | 62 | 4 | 0 | 0 | 0 | 2 | 64 |
| Utah | 2022 | 9 | 0 | 0 | 0 | 0 | 0 | 9 |
| | 2023 | 9 | 0 | 0 | 0 | 0 | 0 | 9 |
| | 2024 | 9 | 0 | 0 | 0 | 0 | 0 | 9 |
| Vermont | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Virginia | 2022 | 14 | 0 | 0 | 0 | 0 | 0 | 14 |
| | 2023 | 14 | 0 | 0 | 0 | 0 | 0 | 14 |
| | 2024 | 14 | 1 | 0 | 0 | 0 | 0 | 15 |
| Washington | 2022 | 19 | 0 | 0 | 0 | 0 | 1 | 18 |
| | 2023 | 18 | 0 | 0 | 0 | 0 | 5 | 13 |
| | 2024 | 13 | 0 | 0 | 0 | 2 | 0 | 11 |
| West Virginia | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Wisconsin | 2022 | 8 | 1 | 0 | 0 | 0 | 0 | 9 |
| | 2023 | 9 | 0 | 0 | 0 | 4 | 0 | 5 |
| | 2024 | 5 | 0 | 0 | 0 | 0 | 1 | 4 |
| Wyoming | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Puerto Rico | 2022 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| | 2023 | 6 | 1 | 0 | 0 | 0 | 0 | 7 |
| | 2024 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| TOTAL | 2022 | 590 | 49 | 0 | 0 | 6 | 24 | 609 |
| | 2023 | 609 | 30 | 2 | 5 | 4 | 22 | 606 |
| | 2024 | 606 | 30 | 2 | 2 | 17 | 11 | 604 |

TABLE NUMBER 4
Status of Company-Owned Stores
For Years 2022-2024

| 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 |
|-----------------------|------|---------------------------------|---------------|------------------------------------|---------------|----------------------------|-------------------------------|
| Colorado | 2022 | 8 | 0 | 0 | 0 | 0 | 8 |
| | 2023 | 8 | 0 | 0 | 0 | 0 | 8 |
| | 2024 | 8 | 0 | 0 | 0 | 0 | 8 |
| Florida | 2022 | 9 | 0 | 0 | 1 | 0 | 8 |
| | 2023 | 8 | 0 | 0 | 0 | 0 | 8 |
| | 2024 | 8 | 0 | 4 | 0 | 0 | 12 |
| Georgia | 2022 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 0 | 0 | 0 | 0 | 2 |
| Illinois | 2022 | 10 | 0 | 0 | 0 | 0 | 10 |
| | 2023 | 10 | 0 | 0 | 0 | 0 | 10 |
| | 2024 | 10 | 0 | 0 | 0 | 0 | 10 |
| Kansas | 2022 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 0 | 0 | 0 | 0 | 2 |
| Kentucky | 2022 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 1 |
| Louisiana | 2022 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 0 | 0 | 0 | 0 | 2 |
| Massachusetts | 2022 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 1 |
| Missouri | 2022 | 8 | 0 | 0 | 0 | 0 | 8 |
| | 2023 | 8 | 0 | 0 | 0 | 0 | 8 |
| | 2024 | 8 | 0 | 0 | 0 | 0 | 8 |
| North Carolina | 2022 | 6 | 0 | 0 | 0 | 0 | 6 |
| | 2023 | 6 | 0 | 0 | 0 | 0 | 6 |
| | 2024 | 6 | 0 | 0 | 0 | 0 | 6 |
| Ohio | 2022 | 6 | 0 | 0 | 0 | 0 | 6 |
| | 2023 | 6 | 0 | 0 | 0 | 0 | 6 |
| | 2024 | 6 | 0 | 0 | 0 | 0 | 6 |
| Oklahoma | 2022 | 0 | 0 | 6 | 0 | 0 | 6 |
| | 2023 | 6 | 0 | 0 | 0 | 0 | 6 |
| | 2024 | 6 | 0 | 0 | 0 | 0 | 6 |

| 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 |
|----------------|------|---------------------------------|---------------|------------------------------------|---------------|----------------------------|-------------------------------|
| Oregon | 2022 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2023 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 11 | 0 | 0 | 11 |
| South Carolina | 2022 | 11 | 0 | 0 | 0 | 0 | 11 |
| | 2023 | 11 | 0 | 0 | 0 | 0 | 11 |
| | 2024 | 11 | 0 | 0 | 0 | 0 | 11 |
| Tennessee | 2022 | 7 | 0 | 0 | 0 | 0 | 7 |
| | 2023 | 7 | 0 | 0 | 0 | 0 | 7 |
| | 2024 | 7 | 0 | 0 | 0 | 0 | 7 |
| Texas | 2022 | 10 | 0 | 0 | 0 | 5 | 5 |
| | 2023 | 5 | 0 | 0 | 0 | 0 | 5 |
| | 2024 | 5 | 0 | 0 | 0 | 0 | 5 |
| Virginia | 2022 | 9 | 0 | 0 | 0 | 0 | 9 |
| | 2023 | 9 | 0 | 0 | 0 | 0 | 9 |
| | 2024 | 9 | 0 | 0 | 0 | 0 | 9 |
| Washington | 2022 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2023 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 2 | 0 | 0 | 2 |
| Wisconsin | 2022 | 20 | 0 | 0 | 0 | 0 | 20 |
| | 2023 | 20 | 0 | 4 | 0 | 0 | 24 |
| | 2024 | 24 | 0 | 0 | 0 | 0 | 24 |
| TOTAL | 2022 | 112 | 0 | 6 | 1 | 5 | 112 |
| | 2023 | 112 | 0 | 4 | 0 | 0 | 116 |
| | 2024 | 116 | 0 | 17 | 0 | 0 | 133 |

TABLE NUMBER 5
Projected Openings
As of December 31, 2024

| 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 |
|-------------|--|---|---|
| Alabama | 1 | 0 | 0 |
| Arizona | 7 | 4 | 0 |
| Arkansas | 1 | 1 | 0 |
| California | 4 | 1 | 0 |
| Connecticut | 1 | 0 | 0 |
| Florida | 10 | 6 | 0 |
| Georgia | 14 | 3 | 0 |
| Kentucky | 1 | 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 |
|----------------|--|---|---|
| Louisiana | 6 | 2 | 0 |
| Massachusetts | 4 | 1 | 0 |
| Michigan | 4 | 3 | 0 |
| Minnesota | 0 | 1 | 0 |
| New Jersey | 2 | 1 | 0 |
| New Mexico | 1 | 1 | 0 |
| New York | 1 | 1 | 0 |
| North Carolina | 9 | 3 | 0 |
| Ohio | 3 | 1 | 0 |
| Oklahoma | 2 | 0 | 0 |
| Pennsylvania | 3 | 1 | 0 |
| South Carolina | 1 | 1 | 0 |
| Texas | 15 | 5 | 0 |
| Utah | 0 | 0 | 0 |
| Virginia | 2 | 0 | 0 |
| TOTAL | 92 | 36 | 0 |

The names, addresses and telephone numbers of all Batteries Plus® franchisees as of December 31, 2024, 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 December 31, 2024.

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' 2024-2023 and 2023-2022 financial statements which include consolidated balance sheets for Batteries as of December 31, 2024, December 31, 2023, and December 31, 2022 and the related consolidated statements of income, members' equity and cash flows for each of the years ended December 31, 2024, December 31, 2023, and December 31, 2022; and unaudited interim financial statements.

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, 2024 and 2023

Contents

| | Page |
|--|------|
| Report of Independent Certified Public Accountants | 3 |
| Consolidated Financial Statements | |
| Consolidated balance sheets | 5 |
| Consolidated statements of net income | 6 |
| Consolidated statements of comprehensive income | 7 |
| Consolidated statements of member's equity | 8 |
| Consolidated statements of cash flows | 9 |
| Notes to consolidated financial statements | 10 |

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors and Stakeholders
Batteries Plus, LLC and Subsidiaries

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, 2024 and 2023, 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 consolidated 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, 2024 and 2023, 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 consolidated 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
March 3, 2025

Batteries Plus, LLC and Subsidiaries

CONSOLIDATED BALANCE SHEETS

December 31,
(Dollars in thousands)

| | 2024 | 2023 |
|--|-------------------|-------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 10,716 | \$ 26,197 |
| Accounts receivable, net | 29,858 | 25,763 |
| Merchandise inventories, net | 56,393 | 48,576 |
| Prepaid expenses | 4,426 | 4,665 |
| Due from marketing fund | 668 | 1,034 |
| Total current assets | 102,061 | 106,235 |
| Property and equipment | | |
| Furniture, fixtures and equipment | 15,913 | 14,383 |
| Vehicles | 1,841 | 1,740 |
| Leasehold improvements | 5,118 | 4,739 |
| Software | 26,733 | 23,913 |
| Finance lease right-of-use assets | 502 | 220 |
| | 50,107 | 44,995 |
| Accumulated depreciation | (29,978) | (24,213) |
| Construction in process | 1,196 | 346 |
| Total property and equipment | 21,325 | 21,128 |
| Other assets | | |
| Goodwill, net | 35,709 | 25,051 |
| Other intangible assets, net | 210,372 | 225,292 |
| Operating lease right-of-use assets, net | 57,761 | 52,047 |
| Notes receivable | 154 | 184 |
| Total other assets | 303,996 | 302,574 |
| Total assets | <u>\$ 427,382</u> | <u>\$ 429,937</u> |
| LIABILITIES AND MEMBER'S EQUITY | | |
| Current liabilities | | |
| Accounts payable | \$ 40,401 | \$ 33,297 |
| Accrued salaries and benefits | 4,928 | 3,618 |
| Current portion of note payable - store repurchase | 4,050 | - |
| Accrued warranty | 3,123 | 3,032 |
| Other accrued expenses | 2,848 | 3,379 |
| Due to franchisees | 395 | 380 |
| Current portion of operating lease liabilities | 6,359 | 5,582 |
| Current portion of finance lease liability | 99 | 44 |
| Current portion of contract liability | 512 | 1,073 |
| Total current liabilities | 62,715 | 50,405 |
| Non-current liabilities | | |
| Finance lease liability, less current portion | 275 | 131 |
| Contract termination | 188 | 172 |
| Note payable - store repurchase | 400 | - |
| Contract liability, less current portion | 8,223 | 7,319 |
| Operating lease liabilities, less current portion | 53,596 | 48,345 |
| Total non-current liabilities | 62,682 | 55,967 |
| Member's equity | <u>301,985</u> | <u>323,565</u> |
| Total liabilities and member's equity | <u>\$ 427,382</u> | <u>\$ 429,937</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,
(Dollars in thousands)

| | <u>2024</u> | <u>2023</u> |
|---------------------------------|-------------------------|-------------------------|
| Merchandise sales | \$ 288,296 | \$ 268,600 |
| Cost of merchandise sold | <u>173,661</u> | <u>160,260</u> |
| Gross profit | 114,635 | 108,340 |
| Other operating income | | |
| Franchise fees | 1,647 | 1,895 |
| Royalty fees | 23,377 | 23,305 |
| Supplier commissions | 7,940 | 8,201 |
| Marketing fund | 25,069 | 19,776 |
| Other fees | <u>9,256</u> | <u>8,962</u> |
| | <u>67,289</u> | <u>62,139</u> |
| Operating expenses | | |
| Selling and delivery | 12,494 | 11,435 |
| Occupancy | 11,047 | 10,130 |
| General and administrative | 90,186 | 86,987 |
| Advertising | 2,078 | 2,702 |
| Marketing fund | 23,912 | 18,625 |
| Depreciation | 5,865 | 5,328 |
| Amortization | <u>14,920</u> | <u>14,920</u> |
| | 160,502 | 150,127 |
| Operating income | 21,422 | 20,352 |
| Other expense (income) | | |
| Interest expense | (75) | (50) |
| Taxes | (3) | (2) |
| Interest income | <u>1</u> | <u>3</u> |
| Other expense, net | <u>(77)</u> | <u>(49)</u> |
| NET INCOME | <u><u>\$ 21,345</u></u> | <u><u>\$ 20,303</u></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,
(Dollars in thousands)**

| | 2024 | 2023 |
|-----------------------------------|------------------|------------------|
| Net income | \$ 21,345 | \$ 20,303 |
| Other comprehensive loss | | |
| Foreign currency translation loss | (30) | (28) |
| COMPREHENSIVE INCOME | <u>\$ 21,315</u> | <u>\$ 20,275</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,
(Dollars in thousands)**

| | <u>2024</u> | <u>2023</u> |
|---|--------------------------|--------------------------|
| Total member's equity at beginning of year | \$ 323,565 | \$ 332,251 |
| Net income | 21,345 | 20,303 |
| Stock-based compensation | 529 | 421 |
| Distributions to member | (43,424) | (29,382) |
| Foreign currency translation loss | <u>(30)</u> | <u>(28)</u> |
| Total member's equity at end of year | <u><u>\$ 301,985</u></u> | <u><u>\$ 323,565</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,
(Dollars in thousands)

| | <u>2024</u> | <u>2023</u> |
|---|------------------|------------------|
| Cash flows from operating activities | \$ 21,345 | \$ 20,303 |
| Net income | | |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Provision for expected credit losses | 338 | 651 |
| Stock-based compensation expense | 529 | 421 |
| Write-off of notes receivable | - | 505 |
| Depreciation | 5,865 | 5,328 |
| Amortization | 14,920 | 14,920 |
| Provision for inventory obsolescence reserve | 376 | 115 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (4,433) | 139 |
| Merchandise inventories | (5,903) | 13,126 |
| Prepaid expenses | 290 | (189) |
| Due from marketing fund | 366 | 294 |
| Accounts payable | 6,588 | 10,131 |
| Accrued salaries and benefits | 1,310 | (3,428) |
| Accrued warranty | 91 | 72 |
| Other accrued expenses | (778) | 404 |
| Due to franchisees | 15 | 506 |
| Contract liability | 343 | (191) |
| Contract termination | 17 | (96) |
| Operating leases | 413 | 516 |
| Net cash provided by operating activities | 41,692 | 63,527 |
| Cash flows from investing activities | | |
| Purchase of property and equipment | (1,511) | (3,110) |
| Development of internal-use software | (3,205) | (2,832) |
| Payments received on notes receivable | 30 | 29 |
| Corporate-owned store acquisitions | (8,901) | (1,991) |
| Proceeds from sales of property and equipment | 21 | 14 |
| Net cash used in investing activities | (13,566) | (7,890) |
| Cash flows from financing activities | | |
| Principal payments on finance lease | (183) | (146) |
| Payments on notes payable from corporate store purchase | - | (930) |
| Cash distributions to member | (43,424) | (29,382) |
| Net cash used in financing activities | (43,607) | (30,458) |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | (15,481) | 25,179 |
| Cash and cash equivalents at beginning of year | 26,197 | 1,018 |
| Cash and cash equivalents at end of year | <u>\$ 10,716</u> | <u>\$ 26,197</u> |
| Non-cash investing and financing activities | | |
| Purchases of property and equipment in accounts payable | \$ 579 | \$ 63 |
| Note payable in exchange for store acquisition | 3,450 | - |
| Accrued earnout related to store acquisition | 1,000 | - |
| New finance leases entered into during the year | 282 | 220 |

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

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024 and 2023
(Dollars in thousands, except per share amounts)

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, 2024 and 2023:

| | <u>Franchise</u> | <u>CPS</u> | <u>Total Stores</u> |
|-------------------|------------------|------------|---------------------|
| December 31, 2022 | 609 | 112 | 721 |
| Openings | 30 | - | 30 |
| Closings | (29) | - | (29) |
| CPS Buyback | (4) | 4 | - |
| | <hr/> | <hr/> | <hr/> |
| December 31, 2023 | 606 | 116 | 722 |
| Openings | 30 | - | 30 |
| Closings | (15) | - | (15) |
| CPS Buyback | (17) | 17 | - |
| | <hr/> | <hr/> | <hr/> |
| December 31, 2024 | <u>604</u> | <u>133</u> | <u>737</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.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023
(Dollars in thousands, except per share amounts)

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

Cash and Cash Equivalents

The Company considers all petty cash and checking accounts to be cash and short-term investments with original maturities of three months or less when purchased to be cash equivalents.

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 accounts for customer balances that it has determined to be uncollectible with a charge to earnings and a credit to a valuation allowance based upon its assessment of the current status of individual accounts. Balances that are still outstanding after the Company has exhausted all 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. The Company assesses the credit history of franchises having outstanding balances along with its current relationship with them. Amounts are written off when receivables are determined to be uncollectible. In 2024 and 2023, the Company recorded a charge of \$0 and \$505, respectively. Interest income on notes receivable is recognized using the effective-interest method.

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

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023
(Dollars in thousands, except per share amounts)

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 \$3,205 and \$2,832 for the years ended December 31, 2024 and 2023, respectively.

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. The Company performed an assessment of property and equipment in 2024 and 2023, 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. The Company believes that a low probability of impairment existed for its current and previous fiscal years and therefore elected to perform a qualitative assessment of goodwill and other intangible assets as allowed in ASC 350. The qualitative assessments resulted in no indication of impairment in 2024 or 2023, and no further quantitative analysis was performed.

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* (Accounting Standards Codification (ASC) 606), under the guidelines which are stated below.

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.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023
(Dollars in thousands, except per share amounts)

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 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

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023
(Dollars in thousands, except per share amounts)

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 the 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 \$7,601 and \$7,473 for the years ended December 31, 2024 and 2023, respectively.

Advertising

The Company expenses the costs of advertising as incurred. Advertising expense for the years ended December 31, 2024 and 2023 was \$2,078 and \$2,702, 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

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023
(Dollars in thousands, except per share amounts)

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. In 2022, the Internal Revenue Service (IRS) notified the Company that it was initiating an Employment Review of the Company's 2019 related filings. The results of this review would be extended to include both 2020 and 2021. The IRS concluded their Employment Review in January 2023 resulting in the Company paying the US Treasury \$88.

Holdings had no interest and penalties related to income taxes for the years ended December 31, 2024 and 2023. 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.

Fair Value Measurement of Financial Instruments

Based on the Company estimates, the carrying amounts of cash, cash equivalents, receivables, prepaid expenses, due to or from marketing funds, accounts payable, accrued expenses, current portion of capital lease obligation, current portion of contract liability, and due to or from franchisees, because of their short-term nature, approximated fair value as of December 31, 2024 and 2023.

Leases

Based on the criteria set forth in ASC Topic 842, *Leases* (ASC 842), the Company recognizes right-of-use (ROU) assets and lease liabilities related to leases on the Company's consolidated balance sheets. The Company determines if an arrangement is, or contains, a lease at inception. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities reflect the obligation to make lease payments arising from the lease. At any given time during the lease term, the lease liability represents the

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023
(Dollars in thousands, except per share amounts)

present value of the remaining lease payments and the ROU asset is measured at the amount of the lease liability, adjusted for pre-paid rent, unamortized initial direct costs and the remaining balance of lease incentives received. Both the lease ROU asset and liability are reduced to zero at the end of the lease.

The Company leases certain retail stores, distribution centers, administrative offices and equipment under various non-cancellable leases. Leases are categorized at their commencement date and lease-related assets and liabilities are recognized for all leases with an initial term of 12 months or greater. The Company did not have any short-term leases in 2024 or 2023. The exercise of lease renewal options is at the Company's sole discretion. The Company evaluates renewal options at commencement and on an ongoing basis and includes options that are reasonably certain to exercise in its expected lease terms when classifying leases and measuring lease liabilities. Lease components are not separated from the non-lease components (typically fixed common-area maintenance costs at its retail store locations) for all classes of leased assets, except those which contain variable non-lease components that are expensed as incurred. The Company utilizes the risk-free treasury rate best associated with each contract to determine the present value of the lease payments over the lease term for substantially all the operating leases for retail stores, distribution centers, administrative offices and other equipment, as these leases typically do not have a stated borrowing rate. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Refer to Note G and H for additional disclosures regarding the Company's leases.

Contingent Earn-out Liability

This class of financial liabilities represents the Company's estimated fair value of the contingent earn-out liability, related to the repurchase of stores, based on the probability assessment of certain performance achievements during the earn-out period. The performance targets are specific to the operation of the repurchased stores subsequent to the acquisition. These contingent earn-out liabilities are included in current liabilities within the current portion of notes payable-store repurchase and non-current liabilities within notes payable-store repurchase on the consolidated balance sheets.

Subsequent Events

The Company has evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through March 3, 2025, 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, 2024 and 2023
(Dollars in thousands, except per share amounts)

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 | 2024 | 2023 |
|--------------------------------|---|-------------------|-------------------|
| Contract rights | 11.5 years | \$ 123,848 | \$ 123,848 |
| Trade name | Indefinite | 103,875 | 103,875 |
| Customer relationships | 10.5 years | 100,773 | 100,773 |
| Contractual relationships | 8.5 years | <u>58,200</u> | <u>58,200</u> |
| Gross carrying amount | | 386,696 | 386,696 |
| Accumulated amortization | | | |
| Contract rights | | (52,550) | (46,358) |
| Customer relationships | | (45,010) | (39,705) |
| Contractual relationships | | <u>(29,052)</u> | <u>(25,629)</u> |
| Total accumulated amortization | | (126,612) | (111,692) |
| Accumulated impairment | | | |
| Trade name | | <u>(49,712)</u> | <u>(49,712)</u> |
| | | <u>\$ 210,372</u> | <u>\$ 225,292</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 |

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

| | |
|------------|-------------------|
| 2025 | \$ 14,920 |
| 2026 | 14,920 |
| 2027 | 14,920 |
| 2028 | 14,920 |
| 2029 | 14,920 |
| Thereafter | <u>81,609</u> |
| | <u>\$ 156,209</u> |

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023
(Dollars in thousands, except per share amounts)

NOTE D - NATIONAL MARKETING, DIGITAL MARKETING AND LOCAL MEDIA PROGRAMS

In 2024 and 2023, the National Marketing Fund 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. Included within these gross amounts are expenditures for corporate stores, which amount \$1,304 and \$1,174 for the years ended December 31, 2024, and 2023, respectively, and are eliminated upon consolidation.

Batteries Plus 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 expenditures from the Fund is as follows for years ended December 31:

| | 2024 | 2023 |
|--|---------|---------|
| Balance of NMF fund (liability) asset, beginning of year | \$ (10) | \$ 864 |
| Contributions received | (6,338) | (6,121) |
| Marketing expenditures | 6,378 | 5,247 |
| Balance of NMF fund asset (liability), end of year | \$ 30 | \$ (10) |

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.

In 2024 and 2023, the 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. Included within these gross amounts are expenditures for corporate stores, which amount \$2,922 and \$2,687 for the years ended December 31, 2024, and 2023, respectively, and are eliminated upon consolidation.

Batteries Plus 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.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023
(Dollars in thousands, except per share amounts)

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

| | 2024 | 2023 |
|---|----------|----------|
| Balance of Program asset, beginning of year | \$ 1,044 | \$ 464 |
| Billed in advance adjustment | (40) | (19) |
| Contributions received | (15,397) | (17,497) |
| Marketing expenditures | 15,093 | 18,096 |
| | <hr/> | <hr/> |
| Balance of Program asset, end of year | \$ 700 | \$ 1,044 |

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.

Prior to 2024, Local Media spend was directed and incurred directly by each franchise and Company operated store. This expense for franchise stores was managed and paid directly by the franchise owners. Local Media expenses incurred by Company operated stores were reported within selling and delivery expense on the consolidated statements of net income.

Beginning in 2024, the Company began operating the Local Media program similar to the National Marketing Fund and Digital Marketing programs.

In 2024, the Local Media 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. Included within these gross amounts are expenditures for corporate stores, which amount \$1,221 for the year ended December 31, 2024, and are eliminated upon consolidation.

Batteries Plus administers the Local Media Program (the Program) which serves as a marketing coop for all Batteries Plus stores. The Program develops, initiates and executes local media programs. 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 store net revenues. A summary of the contributions to the program, which are restricted for local media activities and expenditures from the Program is as follows for years ended December 31:

| | 2024 | 2023 |
|---|---------|-------|
| Balance of Program liability, beginning of year | \$ - | \$ - |
| Contributions received | (8,741) | - |
| Marketing expenditures | 8,679 | - |
| | <hr/> | <hr/> |
| Balance of Program liability, end of year | \$ (62) | \$ - |

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, 2024 and 2023
(Dollars in thousands, except per share amounts)

NOTE E - ACCOUNTS RECEIVABLE

Accounts receivable consist of the following as of December 31:

| | 2024 | 2023 |
|--|------------------|------------------|
| Trade receivables | \$ 21,415 | \$ 18,021 |
| Franchise royalty and marketing fees | 4,755 | 3,435 |
| Vendor allowances | 4,189 | 4,686 |
| Marketing grant | 485 | - |
| Credit card | 544 | 813 |
| | <u>31,388</u> | <u>26,955</u> |
| Less: allowance for expected credit losses | <u>(1,530)</u> | <u>(1,192)</u> |
| | <u>\$ 29,858</u> | <u>\$ 25,763</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. In 2024, the Company was awarded a grant from the Department of Energy related to marketing and recycling used batteries. At the end of 2024, the Company incurred approximately \$485 of marketing costs that was recorded to receivables. The majority of this amount was received by the Company in January 2025.

NOTE F - MERCHANDISE INVENTORIES

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

| | 2024 | 2023 |
|--|------------------|------------------|
| Merchandise inventories | \$ 59,560 | \$ 51,367 |
| Less: reserve for inventory obsolescence | <u>(3,167)</u> | <u>(2,791)</u> |
| | <u>\$ 56,393</u> | <u>\$ 48,576</u> |

NOTE G - FINANCE LEASES

The Company has finance leases for equipment to be used at the Ascent warehouse. The lease terms vary between three and five years in length and include a bargain purchase at the end of the lease term.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023
(Dollars in thousands, except per share amounts)

The following is a schedule of finance lease ROU assets and finance lease liabilities at December 31, 2024 and 2023.

| | 2024 | 2023 |
|---|---------------|---------------|
| Assets | | |
| ROU assets | \$ 502 | \$ 220 |
| Accumulated amortization | (140) | (47) |
| | <u>\$ 362</u> | <u>\$ 173</u> |
| Finance lease ROU assets | | |
| Liabilities | | |
| Current portion of finance lease liabilities | \$ 99 | \$ 44 |
| Finance lease liabilities, less current portion | 275 | 131 |
| | <u>\$ 374</u> | <u>\$ 175</u> |
| Total finance lease liabilities | | |

Following is a schedule of future minimum lease payments under the finance leases, together with the present value of the net minimum lease payments as of December 31, 2024:

| | |
|--|---------------|
| <u>Total minimum finance lease payments</u> | |
| 2025 | \$ 112 |
| 2026 | 103 |
| 2027 | 95 |
| 2028 | 69 |
| 2029 | 26 |
| | <u>405</u> |
| Total lease payments | |
| Less: imputed interest | (31) |
| | <u>\$ 374</u> |
| Present value of future minimum lease payments | |

The following summarizes the Company's finance leases term and discount rate assumptions at December 31, 2024:

| | |
|--|-----------|
| Weighted-average remaining lease term, inclusive of renewal options that we are reasonably certain to be exercised | 3.9 years |
| Weighted-average discount rate | 4.14% |

NOTE H - OPERATING LEASES

The Company leases certain retail stores, a warehouse facility, administrative offices and equipment under non-cancellable operating leases expiring at various dates through 2041. The Company is generally required to pay real estate taxes and other costs for the leased facilities.

The Company follows ASU 2016-02, *Leases* (Topic 842), which requires leases to be recognized on the balance sheet. When applicable, leases with an original term of 12 months or less are not recognized in the Company's consolidated balance sheets, and the lease expense related to these short-term leases is

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023
(Dollars in thousands, except per share amounts)

recognized over the lease term. In 2024 and 2023, the Company did not have any short-term leases. The Company aggregates lease and non-lease components, which includes fixed common-area maintenance costs, when these components are not specifically identified in the lease or monthly billing. When these components are identifiable, the Company excludes these variable non-lease components for the purpose of calculating the ROU assets and liabilities. These variable lease payments are expensed as incurred.

Leases are categorized at their commencement date, which is the date the Company takes possession or control of the underlying asset. Except for the finance leases discussed in Note G - Finance Lease, all of the Company's retail stores, warehouse facility, administrative offices and equipment leases are operating leases. Most leases typically have initial terms of between one and five years, with one to three optional renewal periods of one to five years each. The exercise of lease renewal options is at the Company's sole discretion. The Company evaluates renewal options at lease commencement and on an ongoing basis and includes options that are reasonably certain to exercise in its expected lease terms when classifying leases and measuring lease liabilities. Leases, and any sub-lease receipts, related to closed retail stores are recorded to the Company's contract termination accrual. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Substantially all of the Company's operating leases do not provide a stated borrowing rate. Accordingly, the Company elected to utilize the appropriate risk-free treasury rate at commencement or modification date in determining the present value of lease payments over the lease term. For operating leases that commenced prior to the date of adoption of the new standard, the Company used the treasury rate that best corresponded to the remaining lease term as of the date of adoption.

Operating lease-related assets and liabilities recorded on the consolidated balance sheet are as follows:

| | 2024 | 2023 |
|---|-----------|-----------|
| Assets | | |
| ROU assets | \$ 71,994 | \$ 61,507 |
| Accumulated amortization | (14,233) | (9,460) |
| Operating lease ROU assets | \$ 57,761 | \$ 52,047 |
| | | |
| | 2024 | 2023 |
| Liabilities | | |
| Current portion of operating lease liabilities | \$ 6,359 | \$ 5,582 |
| Operating lease liabilities, less current portion | 53,596 | 48,345 |
| Total operating lease liabilities | \$ 59,955 | \$ 53,927 |

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023
(Dollars in thousands, except per share amounts)

The future rental payments, inclusive of renewal options that have been included in defining the expected lease term, of the Company's operating lease obligations as of December 31, 2024 having initial or remaining lease terms in excess of one year are as follows:

| | | |
|------------------------------------|----|----------------|
| 2025 | \$ | 7,929 |
| 2026 | | 7,752 |
| 2027 | | 7,435 |
| 2028 | | 7,192 |
| 2029 | | 6,641 |
| Thereafter | | <u>32,178</u> |
| Total lease payments | | 69,127 |
| Less: interest | | <u>(9,172)</u> |
| Present value of lease liabilities | \$ | <u>59,955</u> |

The following summarizes the Company's operating leases term and discount rate assumptions at December 31, 2024:

| | |
|--|-----------|
| Weighted-average remaining lease term, inclusive of renewal options that we are reasonably certain to be exercised | 9.8 years |
| Weighted-average discount rate | 2.85% |

Total operating lease expense, which is recorded within occupancy on the consolidated statements of net income, for the years ended December 31, 2024 and 2023 was approximately \$7,753 and \$7,160, respectively.

Contract Termination

During 2020, the Company terminated 11 store locations. As a result, the Company's contract termination liability is \$279 and \$263 as of December 31, 2024 and 2023, respectively, which includes \$91 of current portion of contract termination costs held in other accrued expenses as of both December 31, 2024 and 2023.

There were no stores terminated during 2024 and 2023 that required a discounted contract termination liability to be recorded.

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 \$400 for claims incurred but not yet paid at both December 31, 2024 and 2023, 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, 2024 and 2023
(Dollars in thousands, except per share amounts)

Guarantees

The Company guarantees a loan agreement on behalf of Holdings which entered into the new credit agreement on June 27, 2023. The agreement matures on June 27, 2028.

The new loan agreement is collateralized by substantially all assets of the Company. Holdings' liability for the unpaid loan balance was \$226,600 and \$228,500 at December 31, 2024 and December 31, 2023, respectively. Interest costs incurred during 2024 and 2023, was \$28,023 and \$27,432, respectively.

The maximum amount of future debt service payments that could be required to be paid under the guarantee is \$256,600 plus interest, which represents the \$226,600 remaining balance on the term loan and \$30,000 maximum revolving loan commitment.

During 2024 and 2023, the Company received \$3,500 and \$297,050, respectively, from Holdings under the current commitment of which \$5,800 and \$283,866 was repaid through distributions to Holdings during 2024 and 2023, 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 guarantees a securities purchase agreement, with a purchase price of \$99,040, on behalf of BPB Holding Corp. which entered into the agreement on March 6, 2024.

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, 2024 and 2023 was \$3,040 and \$3,005, respectively. Warranty claims for the years ended December 31, 2024 and 2023 were \$2,950 and \$2,933, 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 that the Company is in compliance, in all material respects, with such regulations as of December 31, 2024 and 2023.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023
(Dollars in thousands, except per share amounts)

NOTE J - PROFIT-SHARING PLAN

Batteries Plus has a qualified 401(k) contributory profit-sharing plan covering all eligible employees. The Company's contribution to the Plan is a discretionary amount determined each year by Batteries Plus. Contributions for the years ended December 31, 2024 and 2023 were approximately \$1,533 and \$1,538, respectively.

NOTE K - BRAND LICENSING AGREEMENTS

In 2024, the Company has one licensing agreement which provided the Company with the right 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. This agreement runs through December 31, 2027, and will renew, unless properly terminated by either party, with the same terms for one additional five-year renewal period.

Although Batteries Plus was not subject to a purchase commitment in 2024 or 2023, the Company did have a minimum annual license fee based on a percentage of purchases of branded products. During both 2024 and 2023, the Company met its minimum license fee and was not required to pay any additional amounts.

Total licensing expense, which is recorded within cost of merchandise sold on the consolidated statements of net income, for the years ended December 31, 2024 and 2023 was \$1,039 and \$779, respectively.

NOTE L - STORE ACQUISITIONS

During 2024, Batteries Plus acquired the operating assets of seventeen franchised stores and two warehouses. Batteries Plus now operates these locations as Batteries Plus operated stores. The allocation of the \$13,351 purchase price was based on the fair value of the assets acquired and liabilities assumed, which is summarized as follows: \$2,290 to inventory, \$598 to property and equipment, \$51 to prepaid expenses, \$10,658 to goodwill, and (\$247) to other accrued expenses. Of this purchase price, \$8,901 came from available cash, \$3,450 notes payable-store repurchase in current liabilities (paid in February 2025) and \$1,000 in contingent earnout liability, refer to Note B – Summary of Accounting Policies.

Payment of the contingent earn-out liability is subject to the achievement of specific operational targets by the repurchased stores, subsequent to the acquisition. If achieved, \$600 of the earnout liability will be paid in 2025 and \$400 will be paid in 2026. The contingent earnout liabilities are recorded with the notes payable-store repurchase on the consolidated balance sheets.

During 2023, Batteries Plus acquired the operating assets of four franchised stores using available cash on-hand. Batteries Plus now operates these locations as Batteries Plus operated stores. The allocation of the \$1,991 purchase price was based on the fair value of the assets acquired and liabilities assumed, which is summarized as follows: \$495 to inventory, \$216 to property and equipment, \$3 to other assets, \$1,423 to goodwill, and (\$146) to current liabilities.

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, 2024 and 2023
(Dollars in thousands, except per share amounts)

NOTE M - 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, 2024 and 2023, total unrecognized compensation cost related to non-vested service options granted under the 2016 Plan was \$4,364 and \$2,800, respectively, which are expected to be recognized over a weighted-average period of approximately 54.6 months.

As of December 31, 2024 and 2023, under the 2016 Plan, a total of approximately 86,560 and 100,810 performance-based options were outstanding, respectively, which vest upon an achievement of a realization value. As this value has not been achieved and management is not certain that it is probable as of December 31, 2024, no expense has been recognized for those awards.

Total stock-based compensation expense included in the Company's consolidated statements of net income was \$529 and \$421 for the years ended December 31, 2024 and 2023, respectively.

The following table summarizes the option activity during 2024 and 2023, and the call option value and exercise price for service and performance options at December 31, 2024 and 2023.

| | Service Options | Weighted- Option Fair Value | Performance Options | Weighted- Option Fair Value | Total Options | Exercise Price |
|------------------------------|--------------------|-----------------------------------|------------------------|-----------------------------------|------------------|-------------------|
| Balance at December 31, 2022 | 212,177 | \$ 7.08 | 110,643 | \$ 0.85 | 322,820 | \$ 119.97 |
| Granted | 38,000 | | 1,500 | | 39,500 | |
| Exercised | (15,617) | | - | | (15,617) | |
| Forfeited | (4,700) | | (11,333) | | (16,033) | |
| Balance at December 31, 2023 | 229,860 | \$ 18.16 | 100,810 | \$ 13.56 | 330,670 | \$ 124.47 |
| Granted | 40,000 | | 5,000 | | 45,000 | |
| Exercised | (500) | | - | | (500) | |
| Forfeited | (48,750) | | (19,250) | | (68,000) | |
| Balance at December 31, 2024 | <u>220,610</u> | \$ 28.11 | <u>86,560</u> | \$ 16.11 | <u>307,170</u> | \$ 131.29 |



Consolidated Financial Statements Report of Independent Certified Public Accountants

Batteries Plus, LLC and Subsidiaries

December 31, 2023 and 2022

Contents

| | Page |
|--|------|
| Report of Independent Certified Public Accountants | 3 |
| Consolidated Financial Statements | |
| Consolidated balance sheets | 5 |
| Consolidated statements of net income | 6 |
| Consolidated statements of comprehensive income | 7 |
| Consolidated statements of member's equity | 8 |
| Consolidated statements of cash flows | 9 |
| Notes to consolidated financial statements | 10 |

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors and Stakeholders
Batteries Plus, LLC and Subsidiaries

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, 2023 and 2022, and the related consolidated statements of net income, comprehensive income, member's equity, 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, 2023 and 2022, 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 consolidated 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, 2024

Batteries Plus, LLC and Subsidiaries

CONSOLIDATED BALANCE SHEETS

December 31,
(In thousands)

| | 2023 | 2022 |
|---|-------------------|-------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 26,197 | \$ 1,018 |
| Accounts receivable, net | 25,763 | 26,516 |
| Merchandise inventories, net | 48,576 | 61,322 |
| Prepaid expenses | 4,665 | 4,472 |
| Due from marketing fund | 1,034 | 1,328 |
| Note receivable - store sale | - | 541 |
| Due from franchisees | - | 126 |
| Total current assets | 106,235 | 95,323 |
| Property and equipment | | |
| Furniture, fixtures and equipment | 14,383 | 12,240 |
| Vehicles | 1,740 | 1,654 |
| Leasehold improvements | 4,739 | 4,012 |
| Software | 23,913 | 19,918 |
| Finance lease right-of-use assets | 220 | 786 |
| | 44,995 | 38,610 |
| Accumulated depreciation | (24,213) | (18,887) |
| Construction in process | 346 | 729 |
| Total property and equipment | 21,128 | 20,452 |
| Other assets | | |
| Goodwill, net | 25,051 | 23,628 |
| Other intangible assets, net | 225,292 | 240,212 |
| Operating lease right-of-use assets, net | 52,047 | 49,306 |
| Notes receivable | 184 | 213 |
| Total other assets | 302,574 | 313,359 |
| Total assets | <u>\$ 429,937</u> | <u>\$ 429,134</u> |
| LIABILITIES AND MEMBER'S EQUITY | | |
| Current liabilities | | |
| Accounts payable | \$ 33,297 | \$ 23,497 |
| Accrued salaries and benefits | 3,618 | 7,046 |
| Note payable - store repurchase | - | 930 |
| Accrued warranty | 3,032 | 2,960 |
| Other accrued expenses | 3,379 | 2,829 |
| Due to franchisees | 380 | - |
| Current portion of operating lease liabilities | 5,582 | 5,915 |
| Current portion of finance lease liability | 44 | 100 |
| Current portion of contract liability | 1,073 | 1,372 |
| Total current liabilities | 50,405 | 44,649 |
| Non-current liabilities | | |
| Finance lease liability, less current portion | 131 | - |
| Contract termination | 172 | 268 |
| Contract liability, less current portion | 7,319 | 7,211 |
| Operating lease liabilities, less current portion | 48,345 | 44,755 |
| Total non-current liabilities | 55,967 | 52,234 |
| Member's equity | 323,565 | 332,251 |
| Total liabilities and member's equity | <u>\$ 429,937</u> | <u>\$ 429,134</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>2023</u> | <u>2022</u> |
|---------------------------------|-------------------------|-------------------------|
| Merchandise sales | \$ 268,600 | \$ 283,671 |
| Cost of merchandise sold | <u>160,260</u> | <u>171,838</u> |
| Gross profit | 108,340 | 111,833 |
| Other operating income | | |
| Franchise fees | 1,895 | 1,718 |
| Royalty fees | 23,305 | 23,060 |
| Supplier commissions | 8,201 | 6,885 |
| Marketing fund | 19,776 | 19,854 |
| Other fees | <u>8,962</u> | <u>8,341</u> |
| | 62,139 | 59,858 |
| Operating expenses | | |
| Selling and delivery | 11,435 | 13,755 |
| Occupancy | 10,130 | 9,616 |
| General and administrative | 86,987 | 85,402 |
| Advertising | 2,702 | 1,093 |
| Marketing fund | 18,625 | 19,144 |
| Depreciation | 5,328 | 4,518 |
| Amortization | <u>14,920</u> | <u>14,920</u> |
| | <u>150,127</u> | <u>148,448</u> |
| Operating income | 20,352 | 23,243 |
| Other expense | | |
| Interest expense | (50) | (80) |
| Taxes | (2) | 64 |
| Interest income | <u>3</u> | <u>3</u> |
| Other expense, net | <u>(49)</u> | <u>(13)</u> |
| NET INCOME | <u><u>\$ 20,303</u></u> | <u><u>\$ 23,230</u></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)**

| | 2023 | 2022 |
|--|------------------|------------------|
| Net income | \$ 20,303 | \$ 23,230 |
| Other comprehensive income (loss) | | |
| Foreign currency translation gain (loss) | (28) | (82) |
| COMPREHENSIVE INCOME | \$ 20,275 | \$ 23,148 |

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>2023</u> | <u>2022</u> |
|---|--------------------------|--------------------------|
| Total member's equity at beginning of year | \$ 332,251 | \$ 334,054 |
| Net income | 20,303 | 23,230 |
| Stock-based compensation | 421 | 23 |
| Distributions to member | (29,382) | (24,974) |
| Foreign currency translation gain (loss) | <u>(28)</u> | <u>(82)</u> |
| Total member's equity at end of year | <u><u>\$ 323,565</u></u> | <u><u>\$ 332,251</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)

| | 2023 | 2022 |
|---|-------------------------|------------------------|
| Cash flows from operating activities: | \$ 20,303 | \$ 23,230 |
| Net income | | |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Provision for expected credit losses | 651 | 257 |
| Stock-based compensation expense | 421 | 23 |
| Write-off of notes receivable | 505 | - |
| Depreciation | 5,328 | 4,518 |
| Amortization | 14,920 | 14,920 |
| Loss (gain) on sale of property and equipment | - | 165 |
| Provision for inventory obsolescence reserve | 115 | 99 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 139 | (2,118) |
| Merchandise inventories | 13,126 | 4,082 |
| Prepaid expenses | (189) | 434 |
| Due from marketing fund | 294 | 455 |
| Accounts payable | 10,131 | (7,901) |
| Accrued salaries and benefits | (3,428) | (539) |
| Accrued warranty | 72 | (293) |
| Other accrued expenses | 404 | (4,510) |
| Due to (from) franchisees | 506 | (177) |
| Deferred revenue | (191) | 955 |
| Contract termination | (96) | (314) |
| Operating leases | 516 | 1,461 |
| Net cash provided by operating activities | <u>63,527</u> | <u>34,747</u> |
| Cash flows from investing activities: | | |
| Purchase of property and equipment | (3,110) | (2,537) |
| Development of internal-use software | (2,832) | (3,277) |
| Payments received on notes receivable | 29 | 32 |
| Corporate-owned store acquisitions | (1,991) | (2,362) |
| Sale of corporate-owned stores | - | 464 |
| Proceeds from sales of property and equipment | 14 | 15 |
| Net cash used in investing activities | <u>(7,890)</u> | <u>(7,665)</u> |
| Cash flows from financing activities: | | |
| Principal payments on finance lease | (146) | (194) |
| Payments on notes payable from corporate store purchase | (930) | (1,736) |
| Cash distributions to member | (29,382) | (24,974) |
| Net cash used in financing activities | <u>(30,458)</u> | <u>(26,904)</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 25,179 | 178 |
| Cash and cash equivalents at beginning of year | 1,018 | 840 |
| Cash and cash equivalents at end of year | <u>\$ 26,197</u> | <u>\$ 1,018</u> |
| Non-cash investing and financing activities: | | |
| Purchases of property and equipment in accounts payable | \$ 63 | \$ 394 |
| Note payable in exchange for store acquisition | \$ - | \$ 930 |
| New finance leases entered into during the year | \$ 220 | \$ - |

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

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023 and 2022
(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, 2023 and 2022:

| | Franchise | CPS | Total Stores |
|-------------------|-----------|-----|--------------|
| January 1, 2022 | 590 | 112 | 702 |
| Openings | 44 | - | 44 |
| Closings | (24) | (1) | (25) |
| CPS Refranchise | 5 | (5) | - |
| CPS Buyback | (6) | 6 | - |
| December 31, 2022 | 609 | 112 | 721 |
| Openings | 30 | - | 30 |
| Closings | (29) | - | (29) |
| CPS Refranchise | - | - | - |
| CPS Buyback | (4) | 4 | - |
| December 31, 2023 | 606 | 116 | 722 |

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.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022
(in thousands)

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

Cash and Cash Equivalents

The Company considers all petty cash and checking accounts to be cash and short-term investments with original maturities of three months or less when purchased to be cash equivalents.

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 accounts for customer balances that it has determined to be uncollectible with a charge to earnings and a credit to a valuation allowance based upon its assessment of the current status of individual accounts. Balances that are still outstanding after the Company has exhausted all 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. The Company assesses the credit history of franchises having outstanding balances along with its current relationship with them. Amounts are written off when receivables are determined to be uncollectible. In 2023, the Company recorded a charge of \$505. Interest income on notes receivable is recognized using the effective-interest method.

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

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022
(in thousands)

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 \$2,832 and \$3,277 for the years ended December 31, 2023 and 2022, respectively.

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. The Company performed an assessment of property and equipment in 2023 and 2022, 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. The Company believes that a low probability of impairment exists for its current fiscal year and therefore elected to perform a qualitative assessment of goodwill and other intangible assets as allowed in ASC 350. The qualitative assessment resulted in no indication of impairment in 2023 and no further quantitative analysis was performed. During the previous year, the Company performed an assessment of goodwill and other intangible assets which resulted in no impairment in 2022.

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* (Accounting Standards Codification (ASC) 606) under the guidelines which are stated below.

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.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022
(in thousands)

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 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

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022
(in thousands)

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 \$7,473 and \$9,462 for the years ended December 31, 2023 and 2022, respectively.

Advertising

The Company expenses the costs of advertising as incurred. Advertising expense for the years ended December 31, 2023 and 2022 was \$2,705 and \$1,093, 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

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022
(in thousands)

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. In 2022, the IRS notified the Company that it was initiating an Employment Review of the Company's 2019 related filings. The results of this review would be extended to include both 2020 and 2021. The IRS concluded their Employment Review in January 2023 resulting in the Company paying the US Treasury \$88.

Holdings had no interest and penalties related to income taxes for the years ended December 31, 2023 and 2022. 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.

Fair Value Measurement of Financial Instruments

Based on the Company estimates, the carrying amounts of cash, cash equivalents, receivables, prepaid expenses, due to or from marketing funds, accounts payable, accrued expenses, current portion of capital lease obligation, current portion of contract liability, and due to or from franchisees, because of their short-term nature, approximated fair value as of December 31, 2023 and 2022.

Leases

Based on the criteria set forth in ASC Topic 842, *Leases* (ASC 842), the Company recognizes right-of-use (ROU) assets and lease liabilities related to leases on the Company's consolidated balance sheets. The Company determines if an arrangement is, or contains, a lease at inception. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities reflect the obligation to make lease payments arising from the lease. At any given time during the lease term, the lease liability represents the present value of the remaining lease payments and the ROU asset is measured at the amount of the lease

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022
(in thousands)

liability, adjusted for pre-paid rent, unamortized initial direct costs and the remaining balance of lease incentives received. Both the lease ROU asset and liability are reduced to zero at the end of the lease.

The Company leases certain retail stores, distribution centers, administrative offices and equipment under various non-cancellable leases. Leases are categorized at their commencement date and lease-related assets and liabilities are recognized for all leases with an initial term of 12 months or greater. The Company did not have any short-term leases in 2023 or 2022. The exercise of lease renewal options is at the Company's sole discretion. The Company evaluates renewal options at commencement and on an ongoing basis and includes options that are reasonably certain to exercise in its expected lease terms when classifying leases and measuring lease liabilities. Lease components are not separated from the non-lease components (typically fixed common-area maintenance costs at its retail store locations) for all classes of leased assets, except those which contain variable non-lease components that are expensed as incurred. The Company utilizes the risk-free treasury rate best associated with each contract to determine the present value of the lease payments over the lease term for substantially all the operating leases for retail stores, distribution centers, administrative offices and other equipment, as these leases typically do not have a stated borrowing rate. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Refer to Note G and H for additional disclosures regarding the Company's leases.

Recent Accounting Pronouncements

Reference Rate Reform: In March 2020, the Financial Accounting Standards Board (FASB) issued ASU 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 Generally Accepted Accounting Principles ("GAAP") to contracts, hedging 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 ASU 2021-01, *Reference Rate Reform (Topic 848): Scope*, which clarified the scope and application of the original guidance. The Company adopted the accounting standard in June 2023, when the Company refinanced its credit agreement. The standard did not 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, 2024, 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, 2023 and 2022
(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 | 2023 | 2022 |
|--------------------------------|---|-------------------|-------------------|
| Contract rights | 12.5 years | \$ 123,848 | \$ 123,848 |
| Trade name | Indefinite | 103,875 | 103,875 |
| Customer relationships | 11.5 years | 100,773 | 100,773 |
| Contractual relationships | 9.5 years | 58,200 | 58,200 |
| Proprietary software | - | 663 | 663 |
| Gross carrying amount | | 387,359 | 387,359 |
| Accumulated amortization | | | |
| Contract rights | | (46,358) | (40,165) |
| Customer relationships | | (39,705) | (34,402) |
| Contractual relationships | | (25,629) | (22,205) |
| Proprietary software | | (663) | (663) |
| Total accumulated amortization | | (112,355) | (97,435) |
| Accumulated impairment | | | |
| Trade name | | (49,712) | (49,712) |
| | | <u>\$ 225,292</u> | <u>\$ 240,212</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:

| | |
|------------|-------------------|
| 2024 | \$ 14,920 |
| 2025 | 14,920 |
| 2026 | 14,920 |
| 2027 | 14,920 |
| 2028 | 14,920 |
| Thereafter | 96,529 |
| | <u>\$ 171,129</u> |

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022
(in thousands)

NOTE D - NATIONAL MARKETING FUND AND DIGITAL MARKETING PROGRAM

In 2023 and 2022, the National Marketing Fund 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:

| | 2023 | 2022 |
|--|----------------|---------------|
| Balance of NMF fund asset, beginning of year | \$ 864 | \$ 1,783 |
| Contributions received | (6,121) | (4,968) |
| Marketing expenditures | 5,247 | 4,049 |
| | <u>\$ (10)</u> | <u>\$ 864</u> |
| Balance of NMF fund (liability) asset, end of year | | |

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.

In 2023 and 2022, the 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 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 2.5% of store net revenues. 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:

| | 2023 | 2022 |
|---|-----------------|---------------|
| Balance of Program asset (liability), beginning of year | \$ 464 | \$ (652) |
| Billed in advance adjustment | (19) | (9) |
| Contributions received | (17,497) | (11,581) |
| Marketing expenditures | 18,096 | 12,706 |
| | <u>\$ 1,044</u> | <u>\$ 464</u> |
| Balance of Program asset, end of year | | |

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, 2023 and 2022
(in thousands)

NOTE E - ACCOUNTS RECEIVABLE

Accounts receivable consist of the following as of December 31:

| | 2023 | 2022 |
|--|-------------------------|-------------------------|
| Trade receivables | \$ 18,021 | \$ 19,826 |
| Franchise royalty and marketing fees | 3,435 | 3,209 |
| Vendor allowances | 4,686 | 3,248 |
| Credit card | 813 | 774 |
| | <u>26,955</u> | <u>27,057</u> |
| Less: allowance for expected credit losses | <u>(1,192)</u> | <u>(541)</u> |
| | <u><u>\$ 25,763</u></u> | <u><u>\$ 26,516</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:

| | 2023 | 2022 |
|--|-------------------------|-------------------------|
| Merchandise inventories | \$ 51,367 | \$ 63,998 |
| Less: reserve for inventory obsolescence | <u>(2,791)</u> | <u>(2,676)</u> |
| | <u><u>\$ 48,576</u></u> | <u><u>\$ 61,322</u></u> |

NOTE G - FINANCE LEASES

In 2018, the Company entered into a five-year lease agreement for software and equipment that met the criteria to be classified as a finance lease. The lease terminated in early 2023.

The cost of the software and equipment under the finance lease was included in the consolidated balance sheets as finance lease ROU equipment of \$786 as of December 2022. In April 2023, the Company entered into an agreement to purchase, for \$75, the software and equipment under the finance lease when the agreement ended. This amount was recorded to fixed assets and assigned a two-year life.

During 2023, the Company entered into finance leases for equipment to be used at the Ascent warehouse. The lease terms vary between three and five years in length and include a bargain purchase at the end of the lease term.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022
(in thousands)

The following is a schedule of finance lease ROU assets and finance lease liabilities at December 31, 2023 and 2022.

| Assets | 2023 | 2022 |
|---|---------------|---------------|
| ROU assets | \$ 220 | \$ 786 |
| Accumulated amortization | (47) | (442) |
| Finance lease ROU assets | <u>\$ 173</u> | <u>\$ 344</u> |
| Liabilities | | |
| Current portion of finance lease liabilities | \$ 44 | \$ 100 |
| Finance lease liabilities, less current portion | <u>131</u> | <u>-</u> |
| Total finance lease liabilities | <u>\$ 175</u> | <u>\$ 100</u> |

Following is a schedule of future minimum lease payments under the finance leases, together with the present value of the net minimum lease payments as of December 31, 2023.

| | |
|--|---------------|
| Total minimum finance lease payments | |
| 2024 | \$ 50 |
| 2025 | 52 |
| 2026 | 43 |
| 2027 | 34 |
| 2028 | 9 |
| Thereafter | <u>-</u> |
| Total lease payments | 188 |
| Less: imputed interest | <u>(13)</u> |
| Present value of future minimum lease payments | <u>\$ 175</u> |

The following summarizes the Company's finance leases term and discount rate assumptions at December 31, 2023:

| | |
|--|-----------|
| Weighted-average remaining lease term, inclusive of renewal options that we are reasonably certain to be exercised | 3.9 years |
| Weighted-average discount rate | 3.97% |

NOTE H - OPERATING LEASES

The Company leases certain retail stores, a warehouse facility, administrative offices and equipment under non-cancellable operating leases expiring at various dates through 2040. The Company is generally required to pay real estate taxes and other costs for the leased facilities.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022
(in thousands)

Beginning January 1, 2022, the Company adopted ASU 2016-02, *Leases* (Topic 842), which requires leases to be recognized on the balance sheet. When applicable, leases with an original term of 12 months or less are not recognized in the Company's consolidated balance sheets, and the lease expense related to these short-term leases is recognized over the lease term. In 2023 and 2022, the Company did not have any short-term leases. The Company aggregates lease and non-lease components, which includes fixed common-area maintenance costs, when these components are not specifically identified in the lease or monthly billing. When these components are identifiable, the Company excludes these variable non-lease components for the purpose of calculating the ROU assets and liabilities. These variable lease payments are expensed as incurred.

Leases are categorized at their commencement date, which is the date the Company takes possession or control of the underlying asset. Except for the finance leases discussed in Note G - Finance Lease, all of the Company's retail stores, warehouse facility, administrative offices and equipment leases are operating leases. Most leases typically have initial terms of between one and five years, with one to three optional renewal periods of one to five years each. The exercise of lease renewal options is at the Company's sole discretion. The Company evaluates renewal options at lease commencement and on an ongoing basis and includes options that are reasonably certain to exercise in its expected lease terms when classifying leases and measuring lease liabilities. Leases, and any sub-lease receipts, related to closed retail stores are recorded to the Company's contract termination accrual. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Substantially all of the Company's operating leases do not provide a stated borrowing rate. Accordingly, the Company elected to utilize the appropriate risk-free treasury rate at commencement or modification date in determining the present value of lease payments over the lease term. For operating leases that commenced prior to the date of adoption of the new standard, the Company used the treasury rate that best corresponded to the remaining lease term as of the date of adoption.

Operating lease-related assets and liabilities recorded on the consolidated balance sheet are as follows:

| | 2023 | 2022 |
|---|------------------|------------------|
| Assets: | | |
| ROU assets | \$ 61,507 | \$ 55,033 |
| Accumulated amortization | (9,460) | (5,727) |
| Operating lease ROU assets | <u>\$ 52,047</u> | <u>\$ 49,306</u> |
| | | |
| Liabilities: | | |
| Current portion of operating lease liabilities | \$ 5,582 | \$ 5,915 |
| Operating lease liabilities, less current portion | 48,345 | 44,755 |
| Total operating lease liabilities | <u>\$ 53,927</u> | <u>\$ 50,670</u> |

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022
(in thousands)

The future rental payments, inclusive of renewal options that have been included in defining the expected lease term, of the Company's operating lease obligations as of December 31, 2023 having initial or remaining lease terms in excess of one year are as follows:

| | | |
|------------------------------------|----|----------------|
| 2024 | \$ | 6,714 |
| 2025 | | 6,664 |
| 2026 | | 6,467 |
| 2027 | | 6,137 |
| 2028 | | 5,878 |
| Thereafter | | <u>28,740</u> |
| Total lease payments | | 60,600 |
| Less: interest | | <u>(6,673)</u> |
| Present value of lease liabilities | \$ | <u>53,927</u> |

The following summarizes the Company's operating leases term and discount rate assumptions at December 31, 2023:

| | |
|--|------------|
| Weighted-average remaining lease term, inclusive of renewal options that we are reasonably certain to be exercised | 10.1 years |
| Weighted-average discount rate | 2.33% |

Total operating lease expense, which is recorded within occupancy on the consolidated statements of net income, for the years ended December 31, 2023 and 2022 was approximately \$7,160 and \$6,892, respectively.

Contract Termination

During 2020, the Company terminated 11 store locations. As a result, the Company's contract termination liability is \$263 and \$398 as of December 31, 2023 and December 31, 2022, respectively, which includes \$91 and \$130 of current portion of contract termination costs held in other accrued expenses as of December 31, 2023 and December 31, 2022, respectively.

There were no stores terminated during 2023 and 2022 that required a discounted contract termination liability to be recorded.

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 \$350 and \$347 for claims incurred but not yet paid at December 31, 2023 and 2022, 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, 2023 and 2022
(in thousands)

Guarantees

The Company guarantees a loan agreement on behalf of Holdings. Holdings entered into a new credit agreement on June 27, 2023. The new agreement matures on June 27, 2028.

The new loan agreement is collateralized by substantially all assets of the Company. Holdings' liability for the unpaid loan balances was \$228,500 at December 31, 2023. Interest costs incurred during 2023, which related to both of the current and prior agreements, was \$27,432. The maximum amount of future debt service payments that could be required to be paid under the guarantee is \$258,500 plus interest, which represents the \$228,500 remaining balance on the term loan and \$30,000 maximum revolving loan commitment. During 2023 and 2022, the Company received \$297,050 and \$218,075, respectively, from Holdings under the current and prior commitments, respectively, of which \$283,866 and \$218,450 was repaid through distributions to Holdings during the years 2023 and 2022, 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.

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, 2023 and 2022 was \$3,005 and \$3,046, respectively. Warranty claims for the years ended December 31, 2023 and 2022 were \$2,933 and \$3,339, 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 that the Company is in compliance, in all material respects, with such regulations as of December 31, 2023 and 2022.

NOTE J - PROFIT-SHARING PLAN

Batteries Plus has a qualified 401(k) contributory profit-sharing plan covering all eligible employees. The Company's contribution to the Plan is a discretionary amount determined each year by Batteries Plus. Contributions for the years ended December 31, 2023 and 2022 were approximately \$1,538 and \$1,494, respectively.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022
(in thousands)

NOTE K - BRAND LICENSING AGREEMENTS

In 2022, the Company had one licensing agreement which provided the Company with the right 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. This agreement ended December 31, 2022, when it was replaced with a new agreement with the same licensor which became effective January 1, 2023. This new agreement runs through December 31, 2027 and will renew, unless properly terminated by either party, with the same terms for one additional five-year renewal period.

Although Batteries Plus was not subject to a purchase commitment in 2023 or 2022, the Company did have a minimum annual license fee based on a percentage of purchases of branded products. During 2023, the Company met its minimum license fee and was not required to pay any additional amounts. In 2022, the Company did not meet the minimum license fee and was required to pay \$540 as part of fulfilling its licensing agreement.

Total licensing expense, which is recorded within cost of merchandise sold on the consolidated statements of net income, for the years ended December 31, 2023 and 2022 was \$779 and \$1,585, respectively.

NOTE L - STORE ACQUISITIONS

During 2023, Batteries Plus acquired the operating assets of four franchised stores using available cash on-hand. Batteries Plus now operates these locations as Batteries Plus operated stores. The allocation of the \$1,991 purchase price was based on the fair value of the assets acquired and liabilities assumed, which is summarized as follows: \$495 to inventory, \$216 to property and equipment, \$3 to other assets, \$1,423 to goodwill, and (\$146) to current liabilities.

During 2022, Batteries Plus acquired the operating assets of six franchised stores and one warehouse. Batteries Plus now operates these locations as Batteries Plus operated stores. The allocation of the \$3,292 purchase price was based on the fair value of the assets acquired and liabilities assumed, which is summarized as follows: \$867 to inventory, \$287 to property and equipment, \$10 to other assets, \$2,208 to goodwill, and (\$81) to current liabilities. Of this purchase price, \$2,362 was cash and \$930 was a note payable paid by the Company in January 2023.

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

The Company did not sell any corporate-owned stores in 2023.

During 2022, Batteries Plus sold the operating assets of five corporate-owned stores. Batteries Plus no longer operates these locations as Batteries Plus operated stores. The allocation of the \$1,005 selling price was based on the current book value of the assets and liabilities sold, which is summarized as follows: \$90 loss on sale, \$784 to inventory, \$206 to property and equipment, \$202 goodwill, (\$97) to operating lease ROU asset and liability. Of this selling price, \$464 was cash and \$541 as a note receivable. In 2023, the Company is uncertain of the collectability of this note and has therefore recorded a reserve against the remaining balance of this note receivable.

Batteries Plus, LLC and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022
(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, 2023 and 2022, total unrecognized compensation cost related to non-vested service options granted under the 2016 Plan was \$2,800 and \$68, respectively, which are expected to be recognized over a weighted-average period of approximately 58 months.

As of December 31, 2023 and 2022, under the 2016 Plan, a total of approximately 100,810 and 110,643 performance-based options were outstanding, respectively, which vest upon an achievement of a realization value. As this value has not been achieved and management is not certain that it is probable as of December 31, 2023, no expense has been recognized for those awards.

Total stock-based compensation expense included in the Company's consolidated statements of net income was \$421 and \$23 for the years ended December 31, 2023 and 2022, respectively.

The following table summarizes the option activity during 2023 and 2022, and the call option value and exercise price for service and performance options at December 31, 2023 and 2022.

| | Service Options | Weighted- Option Fair Value | Performance Options | Weighted- Option Fair Value | Total Options | Exercise Price |
|------------------------------|--------------------|-----------------------------------|------------------------|-----------------------------------|------------------|-------------------|
| Balance at December 31, 2021 | 191,377 | \$ 7.72 | 101,643 | \$ 0.83 | 293,020 | \$ 115.02 |
| Granted | 27,000 | | 9,000 | | 36,000 | |
| Exercised | - | | - | | - | |
| Forfeited | (6,200) | | - | | (6,200) | |
| Balance at December 31, 2022 | 212,177 | \$ 7.08 | 110,643 | \$ 0.85 | 322,820 | \$ 119.97 |
| Granted | 38,000 | | 1,500 | | 39,500 | |
| Exercised | (15,617) | | - | | (15,617) | |
| Forfeited | (4,700) | | (11,333) | | (16,033) | |
| Balance at December 31, 2023 | <u>229,860</u> | \$ 18.16 | <u>100,810</u> | \$ 13.56 | <u>330,670</u> | \$ 124.47 |

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESS HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

BATTERIES PLUS LLC COMPANY AND SUBSIDIARIES
STATEMENT OF EARNINGS
(in thousands)

| | AUDITED | AUDITED | AUDITED | PRELIM |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2022 | 2023 | 2024 | UNAUDITED |
| | | | | YTD 8/2025 |
| Merchandise sales | \$ 283,671 | \$ 268,600 | \$ 288,296 | \$ 201,047 |
| Cost of merchandise sold | <u>171,838</u> | <u>160,260</u> | <u>173,661</u> | <u>121,177</u> |
| Gross profit | 111,833 | 108,340 | 114,635 | 79,870 |
| Operating other income | | | | |
| Franchise fees | 1,718 | 1,895 | 1,647 | 1,467 |
| Royalty fees | 23,060 | 23,305 | 23,377 | 15,080 |
| Supplier commissions | 6,885 | 8,201 | 7,940 | 6,740 |
| Marketing fund | 19,854 | 19,776 | 25,069 | 16,927 |
| Other fees | <u>8,341</u> | <u>8,962</u> | <u>9,256</u> | <u>6,786</u> |
| | 59,858 | 62,139 | 67,289 | 47,000 |
| Selling and delivery | 13,755 | 11,435 | 12,494 | 8,801 |
| Occupancy | 9,616 | 10,130 | 11,047 | 7,841 |
| General and administrative | 85,402 | 86,987 | 90,186 | 66,018 |
| Advertising | 1,093 | 2,702 | 2,078 | 796 |
| Marketing fund | 19,144 | 18,625 | 23,912 | 16,143 |
| Depreciation | 4,518 | 5,328 | 5,865 | 4,124 |
| Amortization | <u>14,920</u> | <u>14,920</u> | <u>14,920</u> | <u>9,946</u> |
| | 148,448 | 150,127 | 160,502 | 113,669 |
| Operating income (loss) | 23,243 | 20,352 | 21,422 | 13,201 |
| Other expense, net | <u>77</u> | <u>47</u> | <u>75</u> | <u>58</u> |
| Net loss before income tax benefit | 23,166 | 20,305 | 21,347 | 13,143 |
| Tax expense | <u>(64)</u> | <u>2</u> | <u>2</u> | <u>6</u> |
| Net income (loss) | \$ 23,230 | \$ 20,303 | \$ 21,345 | \$ 13,137 |

BATTERIES PLUS LLC COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands)

| | AUDITED 2022 | AUDITED 2023 | AUDITED 2024 | PRELIM UNAUDITED 8/2025 |
|--|-------------------|-------------------|-------------------|-------------------------------|
| Cash and cash equivalents | \$ 1,018 | \$ 26,197 | \$ 10,716 | \$ 3,735 |
| Accounts receivable, net | 27,183 | 25,763 | 29,858 | 29,398 |
| Merchandise inventories | 61,322 | 48,576 | 56,393 | 59,121 |
| Prepaid expenses | 5,800 | 5,699 | 5,094 | 5,421 |
| current assets | 95,323 | 106,235 | 102,061 | 97,675 |
| Net PP&E | 20,452 | 21,128 | 21,325 | 22,359 |
| Goodwill | 23,628 | 25,051 | 35,709 | 35,709 |
| Right-to-use asset | 49,306 | 52,047 | 57,761 | 53,232 |
| Other intangible assets, net | 240,212 | 225,292 | 210,372 | 200,426 |
| Other | 213 | 184 | 154 | 133 |
| Other assets | 333,811 | 323,702 | 325,321 | 311,859 |
| Total Assets | \$ 429,134 | \$ 429,937 | \$ 427,382 | \$ 409,534 |
| Accounts payable | \$ 23,497 | \$ 33,297 | \$ 40,401 | \$ 40,096 |
| Other accrued expenses | 13,765 | 10,349 | 14,949 | 11,069 |
| Right-to-use liability | 5,915 | 5,582 | 6,359 | 6,781 |
| Other liabilities | 1,472 | 1,177 | 1,006 | 868 |
| Current liabilities | 44,649 | 50,405 | 62,715 | 58,814 |
| Non-current liabilities | 7,479 | 7,622 | 9,086 | 8,055 |
| Right-to-use liability | 44,755 | 48,345 | 53,596 | 49,248 |
| Total liabilities | 96,883 | 106,372 | 125,397 | 116,117 |
| Member's Equity | 332,251 | 323,565 | 301,985 | 293,417 |
| Total stockholders' deficit & liabilities | \$ 429,134 | \$ 429,937 | \$ 427,382 | \$ 409,534 |

BATTERIES PLUS LLC COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

| | AUDITED 2022 | AUDITED 2023 | AUDITED 2024 | PRELIM UNAUDITED YTD 8/2025 |
|--|-----------------|-----------------|-----------------|-----------------------------------|
| Cash flows from operating activities: | | | | |
| Net Income (loss) | \$ 23,230 | \$ 20,303 | \$ 21,345 | \$ 13,137 |
| Adjustments to reconcile net loss to net cash provided by operating activities | | | | |
| Provision for doubtful accounts | 257 | 651 | 338 | - |
| Stock-based compensation expense | 23 | 421 | 529 | 400 |
| Inventory subsidy to franchisees | - | - | - | - |
| Write-off of notes receivable | - | 505 | - | - |
| Depreciation | 4,518 | 5,328 | 5,865 | 4,124 |
| Amortization | 14,920 | 14,920 | 14,920 | 9,946 |
| Impairment | - | - | - | - |
| Interest accrued on notes receivable | - | - | - | - |
| Loss on sale of property and equipment | 165 | - | - | - |
| Bargain purchase gain | - | - | - | - |
| Provision for inventory obsolescence reserve | 99 | 115 | 376 | - |
| Write-off of notes receivable | - | - | - | - |
| Changes in operating assets and liabilities: | | | | |
| Accounts receivable | (2,118) | 139 | (4,433) | 500 |
| Merchandise inventories | 4,082 | 13,126 | (5,903) | (1,500) |
| Prepaid expenses | 434 | (189) | 290 | (800) |
| Due from national marketing fund | 455 | 294 | 366 | - |
| Accounts payable | (7,901) | 10,131 | 6,588 | (300) |
| Accrued expenses | (4,510) | 404 | (778) | (4,500) |
| Accrued salaries & benefits | (539) | (3,428) | 1,310 | - |
| Accrued warranty | (293) | 72 | 91 | - |
| Due to franchisees | (177) | 506 | 15 | - |
| Deferred revenue | 955 | (191) | 343 | - |
| Contract termination | (314) | (96) | 17 | - |
| Operating leases | 1,461 | 516 | 413 | - |
| Net cash provided by operating activities | 34,747 | 63,527 | 41,692 | 21,007 |
| Cash flows from investing activities: | | | | |
| Purchase of property and equipment | (2,537) | (3,110) | (1,511) | (1,500) |
| Development of internal-use software | (3,277) | (2,832) | (3,205) | (2,500) |
| Corporate-owned store acquisitions | (2,362) | (1,991) | (8,901) | - |
| Sale of corporate-owned stores | 464 | - | - | - |
| Payments received on notes receivable | 32 | 29 | 30 | - |
| Proceeds from sale of property and equipment | 15 | 14 | 21 | - |
| Net cash used in investing activities | (7,665) | (7,890) | (13,566) | (4,000) |
| Cash flows from financing activities: | | | | |
| Cash distributions to member | (24,974) | (29,382) | (43,424) | (23,868) |
| Capital contributions from parent | - | - | - | - |
| Payments on notes payable from corporate store purchase | (1,736) | (930) | - | - |
| Principal payments on capital lease | (194) | (146) | (183) | (120) |
| Net cash used in financing activities | (26,904) | (30,458) | (43,607) | (23,988) |
| NET (DECREASE) INCREASE IN CASH | 178 | 25,179 | (15,481) | (6,981) |
| Cash at beginning of period | 840 | 1,018 | 26,197 | 10,716 |
| Cash at end of period | 1,018 | 26,197 | 10,716 | 3,735 |

EXHIBIT B
MULTIPLE UNIT FRANCHISE AGREEMENT

BATTERIES PLUS®
MULTIPLE UNIT FRANCHISE AGREEMENT

MULTIPLE UNIT FRANCHISEE

DATE OF AGREEMENT

LOCATION/S

Batteries Plus, L.L.C.
STD 2025 MFA

BATTERIES PLUS®
MULTIPLE UNIT FRANCHISE AGREEMENT

TABLE OF CONTENTS

| <u>Section</u> | <u>Description</u> | <u>Page</u> |
|-----------------------|--|--------------------|
| 1. | REFERENCES AND DEFINITIONS | 1 |
| 2. | USE OF SYSTEM..... | 2 |
| 3. | DEVELOPMENT RIGHTS AND OBLIGATIONS..... | 2 |
| 4. | STORE CLOSINGS..... | 3 |
| 5. | GRANT OF FRANCHISES TO MULTIPLE UNIT FRANCHISEE..... | 3 |
| 6. | MULTIPLE UNIT FRANCHISE FEE | 4 |
| 7. | SUPERIORITY OF INDIVIDUAL FRANCHISE AGREEMENT..... | 4 |
| 8. | CONFIDENTIAL INFORMATION..... | 5 |
| 9. | LICENSED MARKS | 5 |
| 10. | MANAGEMENT OF BUSINESS | 6 |
| 11. | MULTIPLE UNIT FRANCHISEE'S RECORDS AND REPORTS..... | 6 |
| 12. | RELATIONSHIP OF THE PARTIES | 7 |
| 13. | TERMINATION BY FRANCHISOR | 7 |
| 14. | EFFECT OF TERMINATION AND EXPIRATION | 9 |
| 15. | COVENANTS..... | 9 |
| 16. | ASSIGNMENT | 10 |
| 17. | DISPUTE RESOLUTION..... | 12 |
| 18. | ENFORCEMENT | 16 |
| 19. | INDEMNIFICATION | 20 |
| 20. | ACKNOWLEDGEMENTS | 20 |
| 21. | NOTICES | 21 |

EXHIBITS

- A - DESIGNATED AREA
- B - STORE DEVELOPMENT SCHEDULE
- C - GUARANTY AND ASSUMPTION OF OBLIGATIONS
- D - DESIGNATED SITE SEARCH MAPS

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 or digital 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 (including any affiliate under common control with 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; (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; and (iii) allow Franchisee to conduct Commercial Sales Activity within the Designated Area, as described in Section 3(D) below. 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. Commercial Sales Activity. If Multiple Unit Franchisee is in full compliance with the terms of this Agreement and each Franchise Agreement to which Multiple Unit Franchisee or an affiliate is a party, once Multiple Unit Franchisee attends and successfully completes Franchisor's commercial sales training program under the Franchise Agreement for the initial Store and is actively participating in Franchisor's commercial sales assistance program, Multiple Unit Franchisee may offer and sell products and services to commercial customers located within the Designated Area ("Commercial Sales Activity"). Upon expiration or termination of this Agreement, Multiple Unit Franchisee's right to conduct Commercial Sales Activity within the Designated Area will immediately terminate, and any rights for Multiple Unit Franchisee to conduct Commercial Sales Activity will be provided under a Franchise Agreement.

E. Extension Fee. If Multiple Unit Franchisee cannot comply with the Development Schedule, Multiple Unit Franchisee may request in writing that Franchisor approve (for no additional fee) an extension of the Development Schedule of up to three (3) months in which Multiple Unit Franchisee must open a Store. Multiple Unit Franchisee may request in writing up to four (4) additional monthly extensions; provided that Franchisee must pay Franchisor a nonrefundable extension fee of Two Thousand Five Hundred Dollars (\$2,500) for each month extension granted by Franchisor, along with any remaining unpaid balance (whether due or not) on the initial franchise fee for such Store. Multiple Unit Franchisee acknowledges that, should it fail to comply with the Development Schedule following one or more approved extensions (not to exceed a total of seven (7) months in length), Franchisor will have the right to terminate this Agreement under Section 13 below or, alternatively, to grant individual or multiple unit franchises within the Designated Area to third parties.

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 six (6) 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 twelve (12) 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 or any affiliated entity under common control with 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;

3. Multiple Unit Franchisee fails to comply with the provisions of any Franchise Agreement for the operation of a Store; or

4. Multiple Unit Franchisee, any Guarantor, or any affiliated entity under common control with Multiple Unit Franchisee defaults under any Batteries Plus franchise agreement or Related Party Agreement or terminates a Batteries Plus franchise agreement without cause. For purposes of this provision, the term "Related Party Agreement" means any agreement by and between Franchisee, any Guarantor, and/or any of Multiple Unit Franchisee's affiliates, on the one hand, and Franchisor and/or any of Franchisor's affiliates or designated suppliers, on the other hand.

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 and policies 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. NEITHER 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. Dispute Resolution Process. The parties have reached this Agreement in good faith and in belief that it is advantageous to each of them. Multiple Unit Franchisee received comprehensive pre-sale disclosures and conducted Multi Unit Franchisee's own due diligence in reaching the business decision to proceed with the investment in the franchise system, and Franchisor made the business decision to enter into this Agreement with Multi Unit Franchisee in reliance on the Multi Unit Franchisee's representations in Multi Unit Franchisee's application for the franchise opportunity and the representations and acknowledgments set forth in this Agreement. In recognition of the enormous strain on time, unnecessary expense and wasted resources potentially associated with litigation and/or arbitration, as applicable, and in the spirit of cooperation, the parties pledge to try to resolve any dispute amicably. In furtherance of this pledge, the parties hereby agree to strictly comply with the dispute resolution procedures set forth in this Article 17. The parties hereby agree that the dispute resolution provisions set forth in this Article 17 shall survive termination or expiration of this Agreement. For purposes of this Article 17, the term: (i) "Franchisee Related Party" means Multi Unit Franchisee and/or any of Multi Unit Franchisee's owners, affiliates, officers, directors, shareholders, members, guarantors, predecessors, successors, assigns, and/or employees; and (ii) "Franchisor Related Party" means Franchisor and/or any of its affiliates, parents, officers, directors, shareholders, members, guarantors, employees, representatives and/or owners.

B. Internal Dispute Resolution Meeting. Multiple Unit Franchisee must first bring any claim or dispute between Multi Unit Franchisee and/or any Multi Unit Franchisee Related Party, on the one hand, and Franchisor, and/or any Franchisor Related Party on the other hand, to Franchisor's management before filing for mediation or arbitration or commencing any legal action against Franchisor and/or any Franchisor Related Party. Multiple Unit Franchisee must submit a written notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute ("Franchisee's Dispute Notice"). Following the issuance of the written notice, Multi Unit Franchisee agrees to schedule an in-person meeting with Franchisor's designated representative to discuss the claim or dispute and opportunities for resolution (the "Internal Dispute Resolution Meeting"). Multiple Unit Franchisee and its majority owner must attend and participate in the Internal Dispute Resolution Meeting in good faith.

C. Mediation. In addition to compliance with the Internal Dispute Resolution Meeting requirement, with the exception of the Excluded Claims (as defined below) that Franchisor does not elect to submit to mediation (in Franchisor's sole discretion), before filing or otherwise commencing any legal action, the parties agree to mediate any dispute, controversy or claim between Multi Unit Franchisee and/or any Multi Unit Franchisee Related Party, on the one hand, and Franchisor and/or any Franchisor Related Party, on the other hand, including, without limitation, in connection with any dispute, controversy or claim arising under, out of, in connection with or in relation to: (a) this Agreement; (b) the parties' relationship; (c) the offer and/or sale of the franchise opportunity; (d) the events occurring prior to the entry into this Agreement; (e) the Franchised Business; and/or (f) any System standard, in accordance with the procedures set forth in this Section, inclusive of all subparts. Good faith participation in these procedures to the greatest extent reasonably possible is a material obligation under this Agreement and a precondition to the commencement of any legal action, including any action to interpret or enforce this Agreement. The mediation shall be conducted in accordance with the following provisions:

1. Initiation Procedure. The party seeking mediation (the "Initiating Party") must first send the other party/parties a written notice of its request for mediation (the "Mediation Demand

Notice”). The Mediation Demand Notice must specify the nature of the dispute, the Initiating Party’s version of the facts surrounding the dispute, the amount of damages, and the nature of any injunctive or other relief such party claims and must identify one or more persons with authority to settle the dispute for the Initiating Party. If the Initiating Party is Multi Unit Franchisee and the Franchisee’s Dispute Notice provided in connection with the Internal Dispute Resolution Meeting includes all information required pursuant to this paragraph, Multi Unit Franchisee may attach the Franchisee’s Dispute Notice to the Mediation Demand Notice to satisfy Multi Unit Franchisee’s notice obligations under this paragraph.

2. Direct Negotiations. Upon receipt of a Mediation Demand Notice, the parties will endeavor, in good faith, to resolve the dispute outlined in the Mediation Demand Notice. If the parties have been unable to resolve any such dispute(s) outlined in a Mediation Demand Notice or a response thereto within twenty (20) days after the Initiating Party issues the Mediation Demand Notice, either party may initiate a mediation procedure with the American Arbitration Association (“AAA”) in accordance with the AAA’s Commercial Mediation Procedures, and unless otherwise agreed by the parties in writing, will take place in-person in the city of Franchisor’s then-current corporate headquarters, as Franchisor designates. *[In the event any applicable, valid and enforceable state law mandates that the mediation take place at any other location, the mediation shall be held in-person at such other location.]*

3. Selection of the Mediator; Time & Place for Mediation. The parties will select the mediator in accordance with the AAA procedures. The fees and expenses of the mediator and costs for mediation must be shared equally by the parties. The mediator may not later serve as a witness, consultant, expert or counsel for any party with respect to the dispute or any related or similar matter in which either of the parties is involved.

4. Representatives. Multiple Unit Franchisee must attend the mediation in-person, and if Multi Unit Franchisee is a legal entity, a person with majority ownership interest (whether direct or indirect) must attend and participate in the mediation in-person. Franchisor’s designated representative must attend and participate in the mediation in-person.

5. Conduct of Mediation. The mediator shall assist the parties in negotiating a resolution of the matter in dispute, with or without the assistance of counsel. To this end, the mediator is authorized both to conduct joint meetings and to attend separate private caucuses with the parties. All mediation sessions will be strictly private. The mediator must keep confidential all information learned unless specifically authorized by the party from which the information was obtained to disclose the information to the other party. The parties commit to participate in the proceedings in good faith with the intention of resolving the dispute if at all possible.

6. Termination of Procedure. The parties agree to participate in the mediation procedure to its conclusion, as set forth in this Agreement. The mediation may be concluded (1) by the signing of a settlement agreement by the parties that has been reviewed and approved by counsel if required in order to ensure enforceability of any required general release, or (2) by the mediator’s declaration that the mediation is terminated. Even if the mediation is terminated without resolving the dispute, the parties agree not to terminate negotiations and not to begin any litigation, arbitration or legal action or seek another remedy before the expiration of five (5) days following the termination of the mediation.

7. Confidentiality. The mediation procedure is a compromise negotiation or settlement discussion for purposes of federal and state rules of evidence. The parties agree that no stenographic, visual or audio record of the proceedings may be made. Any conduct, statement,

promise, offer, view or opinion, whether oral or written, made in the course of the mediation by the parties, their agents or employees, or the mediator is confidential and shall be treated as privileged. No conduct, statement, promise, offer, view or opinion made in the mediation procedure is discoverable or admissible in evidence for any purpose, not even impeachment, in any proceeding involving either of the parties. However, evidence that would otherwise be discoverable or admissible will not be excluded from discovery or made inadmissible simply because of its use in the mediation.

8. Attorneys' Fees. Each party shall be responsible for their own attorneys' fees; provided, however, if Multi Unit Franchisee refuses to comply with the mediation procedures in accordance with the terms of this Article 17(C), Multi Unit Franchisee shall be liable to Franchisor for all attorneys' fees incurred by Franchisor in connection with the dispute, including in connection with the mediation through the conclusion of the mediation.

9. Excluded Claims. "Excluded Claims" means any controversy, dispute, or claim by Franchisor against Multi Unit Franchisee or any Multi Unit Franchisee Related Party that Franchisor elects not to submit to mediation or arbitration (in Franchisor's sole and absolute discretion) for: (a) violation of any provision relating to use of the Marks and/or any Confidential Information; (b) violation of Franchisor's and/or its affiliate's federally or state protected intellectual property rights in the Marks, the System, and/or in any Confidential Information; (c) violation of any of the restrictive covenants in this Agreement, including the confidentiality and/or non-competition covenants; and/or (d) any claims for indemnification and/or to collect past due amounts owed to Franchisor and/or a Franchisor Related Party.

10. Injunctive Relief. Notwithstanding anything contained in this Agreement to the contrary, Franchisor may seek injunctive relief in the state or federal courts in any court with personal jurisdiction over Multi Unit Franchisee if Multi Unit Franchisee is violating or threatening to violate any restrictive covenant in this Agreement or if Multi Unit Franchisee is infringing on Franchisor's and/or its affiliate's rights in the Marks. In such an action, Franchisor may, but is not obligated to, assert any other existing claims against Multi Unit Franchisee.

D. Arbitration. Except to the extent Franchisor elects to enforce the provisions of this Agreement by injunction as provided in Section 17(E) below or mediation as provided in Section 17(C) above, 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(C) above will be resolved by arbitration on an individual basis under the authority of the Federal Arbitration Act in Milwaukee, Wisconsin or the city/county and state where Franchisor's current corporate headquarters is located. Any arbitration proceeding may not be consolidated with any other arbitration proceeding, and Multi 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.

E. Injunctive Relief. Notwithstanding Sections 17(B), (C), and (D) above, Multiple Unit 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 Multi 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.

F. No Class or Collective Action. Multiple Unit Franchisee agrees that any mediation, litigation, or, if applicable, arbitration, between Multi Unit Franchisee and/or any Multi Unit Franchisee Related Party on the one hand, and Franchisor and/or a Franchisor Related Party on the other hand, including, without limitation, any proceedings arising out of or related to this Agreement, the offer and sale of this franchise opportunity, the performance of either party, and/or Multi Unit Franchisee's purchase from Franchisor of the franchise, and/or any goods or services, will be conducted on an individual, not a class-wide, collective, associational or representative basis, and that any proceeding between Multiple Unit Franchisee and/or a Multiple Unit Franchisee Related Party, on the one hand, and Franchisor and/or any Franchisor Related Party, on the other hand, may not be consolidated with any other proceeding between Franchisor and any other third party. No class actions or the joinder of any person, entity or association that is not a party to this Agreement shall be involved in or participate in any legal proceeding between Franchisor and/or a Franchisor Related Party, on the one hand, and Multi Unit Franchisee and/or a Multiple Unit Franchisee Related Party, on the other hand.

G. Contractual Limitation of Claims. Multiple Unit Franchisee on behalf of itself and all Multi Unit Franchisee Related parties expressly agrees that no claim or cause of action may be filed or maintained against Franchisor and/or any Franchisor Related Party arising out of or relating to this Agreement, the relationship established by this Agreement, the offer and sale of the franchise opportunity, and/or the operation of the Franchised Business unless such claim or cause of action is filed before the expiration of the "Limitations Period." For purposes of this paragraph, the term "Limitations Period" means: one (1) year from the earlier of: (a) the date of the act, transaction or occurrence giving rise to the claim against Franchisor and/or a Franchisor Related Party; or (b) the date on which Multi Unit Franchisee or any Multiple Unit Franchisee Related Party knew or reasonably should have known of the facts or circumstances giving rise to the claim against Franchisor or a Franchisor Related Party. Notwithstanding the foregoing, if the Limitations Period is unenforceable under the law of the state where Franchisor's then-current corporate headquarters is located (or, in the event a court determines a different state's law applies to the claim, then under that state's law), then the Limitations Period shall be equal to the shortest time period for a limitation of claims provision that is enforceable under the applicable law.

This contractual limitation of claims provision applies to all claims, whether based on contract, tort, statute, or any other legal theory. Multiple Unit Franchisee acknowledges that this limitation of claims provision and the Limitations Period is a material inducement for Franchisor to enter into this Agreement and that it is intended to provide certainty and finality to potential disputes. To the fullest extent permitted by law, Multi Unit Franchisee hereby waives any longer statutory limitation period and agrees that the foregoing limitation is reasonable and enforceable.

18. 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 Multi Unit Franchisee's obligations under this Agreement upon notice to Multi Unit Franchisee.

B. Waiver of Obligations. Franchisor and the Multi Unit Franchisee may, by written instrument signed by Franchisor and Multi Unit Franchisee, waive any obligation of or restriction upon the other under this Agreement. Acceptance by Franchisor of any payment by the Multi Unit Franchisee and the failure, refusal or neglect of Franchisor to exercise any right under this Agreement or to insist upon full compliance by the Multi Unit Franchisee of its obligations hereunder including, without limitation, any mandatory specification, standard or operating procedure, will not constitute a waiver by Franchisor of any provision of this Agreement.

C. Rights of Parties are Cumulative. The rights of Franchisor and Multi 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 and Jurisdiction. Unless provided by this Agreement or applicable law to the contrary, all litigation, lawsuits, hearings, proceedings and other actions initiated by either party against the other party will be held exclusively in the city/county and state of Franchisor's then-current corporate headquarters, as Franchisor designates, which is currently Waukesha County, Wisconsin. Multiple Unit Franchisee acknowledges that the Multi Unit Franchisee and its officers, directors, members, partners and employees have had substantial business and personal contacts with Franchisor in the city and state of Franchisor's then-current corporate headquarters. Consequently, Franchisor, the Multi Unit Franchisee, and each of their officers, directors and shareholders, and the personal guarantors do hereby agree and submit to personal jurisdiction in the State of Wisconsin or any other state where Franchisor's then-current corporate headquarters is located for the purposes of any suit or proceeding brought to enforce or construe the terms of this Agreement or to resolve any dispute or controversy between the parties, including any dispute or controversy arising under, as a result of, or in connection with this Agreement, the Franchised Business and/or the offer or sale of the franchise opportunity, and do hereby agree and stipulate that any such suits, proceedings, hearings or other actions will be exclusively held in the city/county and state of Franchisor's then-current corporate headquarters, as Franchisor designates, which is currently Waukesha County, Wisconsin. Franchisor also reserves the right to file any litigation, lawsuits, hearings, proceedings or other action against the Franchisee in the federal or state courts where the Franchised Business is located. The Multi Unit Franchisee waives all rights to challenge personal jurisdiction and venue.

E. Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 et seq.), this Agreement, the relationship between Franchisor and Multi Unit Franchisee and any dispute between Franchisor and/or a Franchisor related party on the one hand, and Multi Unit Franchisee and/or a Multiple Unit Franchisee Related Party on the other hand, shall be subject to and shall be enforced and construed pursuant to the laws of the state where Franchisor's then-

current corporate headquarters is located, which is currently Wisconsin. If any provision or term of this Agreement is held to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

F. Attorneys' Fees. If Multi Unit Franchisee is in breach or default of any monetary or nonmonetary obligation under this Agreement or any related agreement between Multi Unit Franchisee and/or any Multi Unit Franchisee Related Party and Franchisor and/or any Franchisor Related Party, and Franchisor engages an attorney to enforce Franchisor's rights (whether or not formal judicial proceedings are initiated), Multi Unit Franchisee must pay all reasonable attorneys' fees, court costs and litigation expenses Franchisor incurs. If Multi Unit Franchisee and/or any Multi Unit Franchisee Related Party institutes any legal action to interpret or enforce the terms of this Agreement, and Multi Unit Franchisee's claim in such action is denied or the action is dismissed (including for failure to comply with the mediation pre-condition to litigation), Multi Unit Franchisee shall pay to Franchisor all attorneys' fees, costs and expenses incurred by Franchisor in defending against any such action, and such an amount shall be awarded as part of the judgment in the proceeding.

G. Third-Party Beneficiaries. Franchisor's officers, directors, members, agents and/or employees are express third-party beneficiaries of the provisions of this Agreement, including the dispute resolution provisions set forth in Article 17, each having the authority to specifically enforce the right to mediate claims asserted against such person(s) by Multi Unit Franchisee and/or any Personal Guarantor.

H. Binding Effect. This Agreement is binding upon the parties and their respective executors, administrators, heirs, assigns, and successors in interest.

I. References. If Multi Unit 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 Multi Unit Franchisee as neuter or a male will also include a neuter, male or female Multi Unit Franchisee as relevant in the context.

J. 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.

K. **WAIVER OF JURY TRIAL.** EACH PARTY IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION BROUGHT BY EITHER PARTY, WHETHER BASED ON CONTRACT, TORT, STATUTE, OR ANY OTHER LEGAL THEORY. MULTIPLE UNIT FRANCHISEE AND FRANCHISOR AGREE THAT ANY PROCEEDING, WHETHER AT LAW OR IN EQUITY, WHICH ARISES OUT OF, CONCERNS, OR IS RELATED TO THIS AGREEMENT OR ANY OF THE RELATIONSHIPS OR TRANSACTION CONTEMPLATED BY THIS AGREEMENT, OR MULTI UNIT FRANCHISEE'S PURCHASE OF THE FRANCHISE OPPORTUNITY SHALL BE TRIED BEFORE A COURT OF COMPETENT JURISDICTION AND NOT A JURY.

L. **WAIVER OF PUNITIVE DAMAGES.** MULTIPLE UNIT FRANCHISEE HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOST PROFITS) AGAINST FRANCHISOR AND/OR ANY FRANCHISOR RELATED PARTY ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) AND AGREES THAT IN THE EVENT OF A DISPUTE, THAT MULTI UNIT FRANCHISEE'S RECOVERY IS LIMITED TO ACTUAL DAMAGES. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS SHALL CONTINUE IN FULL FORCE AND EFFECT, INCLUDING, WITHOUT LIMITATION, THE WAIVER OF ANY RIGHT TO CLAIM ANY CONSEQUENTIAL DAMAGES. NOTHING IN THIS SECTION OR ANY OTHER PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED TO PREVENT FRANCHISOR FROM CLAIMING AND OBTAINING EXPECTATION OR CONSEQUENTIAL DAMAGES, INCLUDING LOST FUTURE ROYALTIES FOR THE BALANCE OF THE TERM OF THIS AGREEMENT IF IT IS TERMINATED DUE TO MULTI UNIT FRANCHISEE'S DEFAULT, WHICH THE PARTIES AGREE AND ACKNOWLEDGE FRANCHISOR MAY CLAIM UNDER THIS AGREEMENT.

M. **RIGHT TO SEEK FUTURE LOST FEES.** MULTI UNIT FRANCHISEE ACKNOWLEDGES AND AGREES THAT FRANCHISOR HAS THE RIGHT TO RECOVER FROM MULTI UNIT 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 MULTI UNIT FRANCHISEE'S BREACH OF THIS AGREEMENT.

N. **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. A force majeure event does not excuse or alleviate Multi Unit Franchisee's obligation to pay monies owed to Franchisor, its affiliates, or designated suppliers under this Agreement.

O. **No Withholding of Payments to Franchisor.** Multi Unit Franchisee will not for any reason withhold payment of any royalty fees or any other fees or payments due to Franchisor pursuant to this Agreement or pursuant to any other contract, agreement or obligation to Franchisor. Multi Unit Franchisee will not have the right to "offset" any liquidated or unliquidated amounts, damages or other funds allegedly due to the Multi Unit Franchisee by Franchisor against any royalty fees or any other fees or payments due to Franchisor under this Agreement or under any other agreement or contract. Franchisor shall have the

right to apply any payments received from the Multi Unit Franchisee first to the repayment of all costs of collection, including but not limited to attorney's fees, next to any late payment charges, next to accrued interest and then to the oldest obligation due under this Agreement or any other agreement between the Multi Unit Franchisee and Franchisor or an affiliate of Franchisor. In addition, Franchisor shall have the right to set-off, from any amounts that Franchisor may owe to the Multi Unit Franchisee, any amount that the Multi Unit Franchisee owes to Franchisor.

P. Cumulative Rights. The rights of Franchisor hereunder are cumulative and no exercise or enforcement by Franchisor of any right or remedy hereunder will preclude the exercise or enforcement by Franchisor of any other right or remedy hereunder or which Franchisor is entitled by law to enforce.

Q. No Personal Liability. Multi Unit Franchisee agrees that fulfillment of any and all of Franchisor's obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a Court of Law shall be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company shall be personally liable to Multi Unit Franchisee for any reason. This is an important part of this Agreement. Multi Unit Franchisee agrees that nothing that Multi Unit Franchisee believes Multi Unit Franchisee has been told by Franchisor or Franchisor's representatives shall be binding unless it is written in this Agreement. This is an important part of this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

R. 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.

S. No Oral Modification. This Agreement may only be modified or amended by a written amendment executed by Multi Unit Franchisee and Franchisor. Notwithstanding anything herein to the contrary, Franchisor shall have the right unilaterally to reduce the scope of any covenants of Multi Unit Franchisee contained in this Agreement upon notice to Multi Unit Franchisee, whereupon Multi Unit Franchisee shall comply therewith as so modified. The Multi Unit Franchisee and Franchisor will not have the right to amend or modify this Agreement orally or verbally, and any attempt to do so will be void in all respects.

T. Delegation. Multi Unit Franchisee agrees that Franchisor shall have the right to delegate to third-party designees, whether these designees are Franchisor's agents or independent contractors with whom Franchisor has contracted (1) the performance of any portion or all of Franchisor's obligations under this Agreement, and (2) any right that Franchisor has under this Agreement. If Franchisor does so, such third-party designees will be obligated to perform the delegated functions for Multi Unit Franchisee in compliance with this Agreement.

U. Entire Agreement. This Agreement, inclusive of all exhibits, constitutes the entire, full and complete agreement and understanding between the parties and supersedes all prior agreements. No other representations, promises, warranties or agreements have induced Multi Unit Franchisee to sign this Agreement with Franchisor. Both parties agree that there are no oral or written representations, promises, assurances, warranties, covenants, "side-deals", rights of first refusal, options or understandings other than those in this Agreement. This Agreement supersedes all prior agreements, no other representations,

promises, warranties, assurances, covenants, “side deals”, rights of first refusal, options or understandings having induced Multi Unit Franchisee to sign this Agreement. The Parties agree that, in entering into this Agreement, they are each relying on their own judgment, belief and knowledge as to any claims and further agree that no promise, inducement or agreement or any representations and warranties not expressed in this Agreement have been made to procure their entering into this Agreement. The parties agree that they have read, fully understand and fully agreed to the terms of this Agreement. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document Franchisor furnished to Multi Unit Franchisee before entering into this Agreement.

V. Joint and Several Liability. If the Multi Unit Franchisee consists of more than one individual, then the liability of all such individuals under this Agreement will be joint and several.

W. Headings; Terms. The headings of the Articles are for convenience only and do not in any way define, limit or construe the contents of such Article. The term “Multi Unit Franchisee” or “Franchisee” as used herein is applicable to one or more individuals, a corporation or a partnership, as the case may be, and the singular usage includes the plural, the masculine usage includes the neuter and the feminine, and the neuter usage includes the masculine and the feminine. References to “Multi Unit Franchisee,” “Franchisee,” “assignee,” “licensee” and “transferee” which are applicable to an individual or individuals will mean the principal owner or owners of the equity or operating control of the Multi Unit Franchisee or any such assignee or transferee if the Multi Unit Franchisee or such assignee or transferee is a corporation or partnership. If the Multi Unit Franchisee consists of more than one individual, then all individuals will be bound jointly and severally by the terms and conditions of this Agreement.

X. 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

By: Joseph Malmuth
Title: Chief Development Officer

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

**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: Joseph Malmuth
Title: Chief Development Officer

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

**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 of Initial Franchise Agreement | Initial Franchise Fee due at earlier of delivering complete site report or at least 9 months before date of Store opening | Date of Commercial First Opening | Date of Retail Store Opening | Cumulative Number of Stores to be Opened |
|---------|--------------------------------------|---|---|----------------------------------|------------------------------|--|
| | \$44,500 | \$44,500* | | | | |
| | \$39,500 | \$0 | | | | |
| | \$35,500 | \$0 | | | | |
| | \$29,500 | \$0 | | | | |

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

APPROVED:

FRANCHISOR:

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

By: Joseph Malmuth
Title: Chief Development Officer

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

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 (ii) 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
DESIGNATED SITE SEARCH MAPS

65683353v2

EXHIBIT C
FRANCHISE AGREEMENT

BATTERIES PLUS FRANCHISE AGREEMENT

FRANCHISEE

DATE OF AGREEMENT

LOCATION

Batteries Plus, L.L.C.
STD 2025 FA

TABLE OF CONTENTS

| <u>Section</u> | <u>Description</u> | <u>Page</u> |
|-----------------------|---|--------------------|
| 1. | DEFINITIONS | 1 |
| 2. | GRANT OF FRANCHISE | 2 |
| 3. | TERM OF FRANCHISE; RENEWAL RIGHTS..... | 4 |
| 4. | DEVELOPMENT AND OPENING OF THE STORE | 5 |
| 5. | TRAINING AND OPERATING ASSISTANCE | 8 |
| 6. | LICENSED MARKS..... | 10 |
| 7. | CONFIDENTIAL INFORMATION/IMPROVEMENTS | 11 |
| 8. | RELATIONSHIP OF THE PARTIES/INDEMNIFICATION | 12 |
| 9. | FRANCHISE FEES..... | 13 |
| 10. | STORE IMAGE AND OPERATING STANDARDS | 14 |
| 11. | MARKETING | 20 |
| 12. | RECORDS AND REPORTS | 22 |
| 13. | INSPECTION AND AUDITS..... | 23 |
| 14. | COVENANTS | 23 |
| 15. | ASSIGNMENT | 24 |
| 16. | FRANCHISOR’S TERMINATION RIGHTS | 27 |
| 17. | FRANCHISEE OBLIGATIONS UPON TERMINATION | 29 |
| 18. | DISPUTE RESOLUTION..... | 31 |
| 19. | ENFORCEMENT..... | 35 |
| 20. | NOTICES | 40 |
| 21. | ACKNOWLEDGEMENTS | 40 |

EXHIBITS

A – STORE LOCATION, PROTECTED AREA, INITIAL FRANCHISE FEE AND MARKETING CAMPAIGN

ALTERNATIVE EXHIBIT A

B – STORE LEASE ADDENDUM

C – SOFTWARE ACCESS AGREEMENT

D – PROSOURCE RMS SOFTWARE AGREEMENT

E – GUARANTY AND ASSUMPTION OF OBLIGATIONS

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 or digital 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 must 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 locate and 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;

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

5. to engage in any transaction, including to purchase or be purchased by, to merge or combine with, to convert to the System or be converted into a new system with any business, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned and whether located inside or outside of the Designated Area, provided that in such situations the newly acquired businesses may not operate under the Licensed Marks in the Designated Area.

E. Commercial Sales Area. Franchisee may offer and sell products and services to commercial customers (other than customers under the Key Accounts Program) located inside and outside the Protected Area, only pursuant to Franchisor's then-current policy on commercial sales as described in the Operations Manual or otherwise in writing ("Commercial Sales Area"). Franchisee acknowledges and agrees that there are no territorial protections for commercial sales, and that other Batteries Plus® franchisees may offer and sell products and services to commercial customers located within Franchisee's Protected Area.

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 physical 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 (for no additional fee) an extension of up to three (3) months within which Franchisee must open the Store. Franchisee may request in writing up to four (4) additional monthly extensions; provided that Franchisee must pay Franchisor a non-refundable extension fee of Two Thousand Five Hundred Dollars (\$2,500) for each one-month extension granted by Franchisor. Franchisee acknowledges that, should it fail to open the physical Store for business within the agreed upon time period following one or more approved extensions (not to exceed a total of seven (7) months in length), Franchisor will have the right to terminate this Agreement under Section 16 below or, alternatively, to operate or grant franchises to third parties to operate one or more Batteries Plus® stores within the Protected Area.

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. Franchisee must, at its expense, participate in Franchisor's then-current commercial sales assistance 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. After successfully completing the commercial sales training program, but before the physical Store opens, Franchisee must begin offering and selling products and services to commercial customers located within the Commercial Sales Area.

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 online, classroom and in-store 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 assistance training program described below.

The initial training program currently (as of the Effective Date) consists of four (4) phases: (i) the one week commercial training program at our headquarters or another location we designate; (ii) online commercial sales training modules covering battery product, bulb product, commercial selling and operations; (iii) one week retail training program at our headquarters or another location we designate; and (iv) an additional week of training at a designated Batteries Plus store. 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 commercial sales training portion of the initial training program, 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 annual conferences and regional meetings for the System as Franchisor periodically requires. Franchisor may charge Franchisee a non-attendance fee if Franchisee fails to attend an annual conference or regional meeting.

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 or digital 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 foregoing 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. Such suppliers (including Franchisor and/or its affiliates) may obtain a security interest in products sold to Franchisee. 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 Franchisee has identified and Franchisor has approved to manage the Store 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. 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 or digital 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 Two Hundred Dollars (\$200) 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 twelve (12) months as a condition for curing the default.

O. Minimum Net Revenues Quota. During each calendar year following the date the Store opens, Franchisee must attain a certain amount of Net Revenues (the "Minimum Annual Revenue Quota") as follows:

| Calendar year | Minimum Annual Net Revenues |
|---|-----------------------------|
| 1 st Full Calendar Year | \$200,000 |
| 2 nd Full Calendar Year | \$300,000 |
| 3 rd Full Calendar Year | \$400,000 |
| 4 th and Subsequent Full Calendar Year | \$500,000 |

The first calendar year will begin on January 1st immediately following the date the Store opens. Franchisee's failure to satisfy the Minimum Annual Revenue Quota in the Protected Area may result in the reduction or elimination of Franchisee's Protected Area, as Franchisor determines. **THIS MINIMUM ANNUAL REVENUE QUOTA IS IN NO WAY INTENDED TO IMPLY THAT FRANCHISEE WILL EXPERIENCE NET REVENUES OF ANY PARTICULAR LEVEL.** If Franchisee has signed this Agreement as a result of a transfer or renewal, Franchisee must attain the Minimum Annual Revenue Quota based upon the date that the Store originally opened.

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 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 and Local Media 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 digital marketing or local media efforts, including ecommerce and national performance or local marketing efforts such as the cost of digital search, shopping, social media and affiliate marketing efforts and programs (the “Digital Marketing and Local Media Program”). Franchisor will direct how the digital marketing contribution is spent, and Franchisee will pay such amount on or before the 10th day of each month directly to Franchisor. Franchisor also will contribute to the Digital Marketing and Local Media 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 and Local Media Program. To the extent Franchisor directly receives Franchisee contributions respecting the Digital Marketing and Local Media 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 digital marketing or promotional tools or programs. Any separate account established for the Digital Marketing and Local Media 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 and Local Media 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 and Local Media Program. Upon written request, Franchisor will provide Franchisee an annual unaudited statement of the receipts and disbursements of any separate Digital Marketing and Local Media 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 that Franchisor may establish 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, 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 and Local Media Program and regional or local cooperative advertising or marketing programs due under Sections 11(B) and 11(C) above, together with amounts spent on "approved" Store advertising and promotion activities, 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 date the Store opens for retail sales activity, 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). When Franchisee opens its Store for retail sales activity, it must deposit Twenty Thousand Dollars (\$20,000) with Franchisor as its initial Minimum Store Promotion Requirement and Franchisor will apply such funds towards Franchisee's Digital Marketing and Local Media Program contributions. Once the entire amount of the deposit is applied, Franchisee will pay its Digital Marketing and Local Media Program contributions as described in Section 11(B) above. 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 of up to Six Thousand Dollars (\$6,000), as we determine, 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 ninety (90) 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), Franchisor reserves the right to require Franchisee to pay a non-refundable "Store Relocation Marketing Campaign" contribution of up to Six Thousand Dollars (\$6,000), as Franchisor determines, for local Store re-opening promotions. Franchisee will pay this contribution (if required) 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 ninety

(90) 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 twelve (12) months following the date that Franchisee successfully completes commercial sales assistance training 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; provided that for new Batteries Plus® stores, Franchisor will waive the applicable fees for the first three months following the date that Franchisee successfully completes commercial sales assistance training. 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 requests 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. 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;

8. Unless expressly authorized by Franchisor in writing, the transferee-franchisee and its affiliates collectively will not directly or indirectly own more than six percent (6%) of the total number of Batteries Plus® stores then in operation in the United States, including the Store being transferred hereunder. Franchisee acknowledges that Franchisor reserves the right to make exceptions to this condition;

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 commercial or retail sales 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 or any affiliated entity under common control with Franchisee fails to timely pay Royalty and Service Fees, Digital Marketing and Local Media 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” the Store. 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 19(N) below;
- (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. 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%);
- (15) Franchisee is in default under the terms of any promissory note between Franchisee and Franchisor or its affiliates; or

(16) Franchisee, any Guarantor, or any affiliated entity under common control with Franchisee (i) commits an incurable default or breach of any other Batteries Plus franchise agreement, multi-unit franchise agreement, or Related Party Agreement and/or (ii) commits a default or breach of any other Batteries Plus franchise agreement, multi-unit franchise agreement, or Related Party Agreement and fails to cure such breach before the expiration of all applicable notice and cure periods under such franchise agreement or Related Party Agreement. For purposes of this provision, the term “Related Party Agreement” means any other agreement by and between Franchisee, any Guarantor, and/or any of Franchisee’s affiliates, on the one hand, and Franchisor and/or any of Franchisor’s affiliates or designated suppliers, on the other hand.

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. Step-In Rights. In addition to our right to terminate this Agreement, if Franchisee is in default under the terms of this Agreement and Franchisee fails to cure such default within the applicable cure period, Franchisor or its designee has the option, but not the obligation, to operate the Store until such a time as Franchisee has cured the default(s) and Franchisee is in full compliance with the terms of this Agreement. If Franchisor elects to operate the Store, Franchisee must pay Franchisor a fee of up to Five Hundred Dollars (\$500) per day and reimburse Franchisor or its designee for all costs and overhead incurred in connection with the operation of the Store, including costs travel and lodging and reimbursement of salaries and benefits for the individuals assisting in Store operations. Franchisor or its designee’s operation of the Store does not impact Franchisee’s obligation to indemnify Franchisor or its affiliates, as described in Franchisee agrees to indemnify and hold Franchisor or its designee harmless against, and to reimburse them for, any loss, liability or damages arising out of or relating to Franchisor’s or its designee’s operation of the Store, as described in Section 8(B) of this Agreement.

D. Applicable Law. If the provisions of this Section 16 are inconsistent with applicable law, the applicable law will apply.

17. 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 and Local Media 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.

18. DISPUTE RESOLUTION

A. Dispute Resolution Process. The parties have reached this Agreement in good faith and in belief that it is advantageous to each of them. Franchisee received comprehensive pre-sale disclosures and

conducted Franchisee's own due diligence in reaching the business decision to proceed with the investment in the franchise system, and Franchisor made the business decision to enter into this Agreement with Franchisee in reliance on the Franchisee's representations in Franchisee's application for the franchise opportunity and the representations and acknowledgments set forth in this Agreement. In recognition of the enormous strain on time, unnecessary expense and wasted resources potentially associated with litigation and/or arbitration, as applicable, and in the spirit of cooperation, the parties pledge to try to resolve any dispute amicably. In furtherance of this pledge, the parties hereby agree to strictly comply with the dispute resolution procedures set forth in this Article 18. The parties hereby agree that the dispute resolution provisions set forth in this Article 18 shall survive termination or expiration of this Agreement. For purposes of this Article 18, the term: (i) "Franchisee Related Party" means Franchisee and/or any of Franchisee's owners, affiliates, officers, directors, shareholders, members, guarantors, predecessors, successors, assigns, and/or employees; and (ii) "Franchisor Related Party" means Franchisor and/or any of its affiliates, parents, officers, directors, shareholders, members, guarantors, employees, representatives and/or owners.

B. Internal Dispute Resolution Meeting. Franchisee must first bring any claim or dispute between Franchisee and/or any Franchisee Related Party, on the one hand, and Franchisor, and/or any Franchisor Related Party on the other hand, to Franchisor's management before filing for mediation or arbitration or commencing any legal action against Franchisor and/or any Franchisor Related Party. Franchisee must submit a written notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute ("Franchisee's Dispute Notice"). Following the issuance of the written notice, Franchisee agrees to schedule an in-person meeting with Franchisor's designated representative to discuss the claim or dispute and opportunities for resolution (the "Internal Dispute Resolution Meeting"). Franchisee and its majority owner must attend and participate in the Internal Dispute Resolution Meeting in good faith.

C. Mediation. In addition to compliance with the Internal Dispute Resolution Meeting requirement, with the exception of the Excluded Claims (as defined below) that Franchisor does not elect to submit to mediation (in Franchisor's sole discretion), before filing or otherwise commencing any legal action, the parties agree to mediate any dispute, controversy or claim between Franchisee and/or any Franchisee Related Party, on the one hand, and Franchisor and/or any Franchisor Related Party, on the other hand, including, without limitation, in connection with any dispute, controversy or claim arising under, out of, in connection with or in relation to: (a) this Agreement; (b) the parties' relationship; (c) the offer and/or sale of the franchise opportunity; (d) the events occurring prior to the entry into this Agreement; (e) the Franchised Business; and/or (f) any System standard, in accordance with the procedures set forth in this Section, inclusive of all subparts. Good faith participation in these procedures to the greatest extent reasonably possible is a material obligation under this Agreement and a precondition to the commencement of any legal action, including any action to interpret or enforce this Agreement. The mediation shall be conducted in accordance with the following provisions:

1. Initiation Procedure. The party seeking mediation (the "Initiating Party") must first send the other party/parties a written notice of its request for mediation (the "Mediation Demand Notice"). The Mediation Demand Notice must specify the nature of the dispute, the Initiating Party's version of the facts surrounding the dispute, the amount of damages, and the nature of any injunctive or other relief such party claims and must identify one or more persons with authority to settle the dispute for the Initiating Party. If the Initiating Party is Franchisee and the Franchisee's Dispute Notice provided in connection with the Internal Dispute Resolution Meeting includes all information required pursuant to this paragraph, Franchisee may attach the Franchisee's Dispute Notice to the Mediation Demand Notice to satisfy Franchisee's notice obligations under this paragraph.

2. Direct Negotiations. Upon receipt of a Mediation Demand Notice, the parties will

endeavor, in good faith, to resolve the dispute outlined in the Mediation Demand Notice. If the parties have been unable to resolve any such dispute(s) outlined in a Mediation Demand Notice or a response thereto within twenty (20) days after the Initiating Party issues the Mediation Demand Notice, either party may initiate a mediation procedure with the American Arbitration Association (“AAA”) in accordance with the AAA’s Commercial Mediation Procedures, and unless otherwise agreed by the parties in writing, will take place in-person in the city of Franchisor’s then-current corporate headquarters, as Franchisor designates. *[In the event any applicable, valid and enforceable state law mandates that the mediation take place at any other location, the mediation shall be held in-person at such other location.]*

3. Selection of the Mediator; Time & Place for Mediation. The parties will select the mediator in accordance with the AAA procedures. The fees and expenses of the mediator and costs for mediation must be shared equally by the parties. The mediator may not later serve as a witness, consultant, expert or counsel for any party with respect to the dispute or any related or similar matter in which either of the parties is involved.

4. Representatives. Franchisee must attend the mediation in-person, and if Franchisee is a legal entity, a person with majority ownership interest (whether direct or indirect) must attend and participate in the mediation in-person. Franchisor’s designated representative must attend and participate in the mediation in-person.

5. Conduct of Mediation. The mediator shall assist the parties in negotiating a resolution of the matter in dispute, with or without the assistance of counsel. To this end, the mediator is authorized both to conduct joint meetings and to attend separate private caucuses with the parties. All mediation sessions will be strictly private. The mediator must keep confidential all information learned unless specifically authorized by the party from which the information was obtained to disclose the information to the other party. The parties commit to participate in the proceedings in good faith with the intention of resolving the dispute if at all possible.

6. Termination of Procedure. The parties agree to participate in the mediation procedure to its conclusion, as set forth in this Agreement. The mediation may be concluded (1) by the signing of a settlement agreement by the parties that has been reviewed and approved by counsel if required in order to ensure enforceability of any required general release, or (2) by the mediator’s declaration that the mediation is terminated. Even if the mediation is terminated without resolving the dispute, the parties agree not to terminate negotiations and not to begin any litigation, arbitration or legal action or seek another remedy before the expiration of five (5) days following the termination of the mediation.

7. Confidentiality. The mediation procedure is a compromise negotiation or settlement discussion for purposes of federal and state rules of evidence. The parties agree that no stenographic, visual or audio record of the proceedings may be made. Any conduct, statement, promise, offer, view or opinion, whether oral or written, made in the course of the mediation by the parties, their agents or employees, or the mediator is confidential and shall be treated as privileged. No conduct, statement, promise, offer, view or opinion made in the mediation procedure is discoverable or admissible in evidence for any purpose, not even impeachment, in any proceeding involving either of the parties. However, evidence that would otherwise be discoverable or admissible will not be excluded from discovery or made inadmissible simply because of its use in the mediation.

8. Attorneys’ Fees. Each party shall be responsible for their own attorneys’ fees; provided, however, if Franchisee refuses to comply with the mediation procedures in accordance with the terms of this Article 18(C), Franchisee shall be liable to Franchisor for all attorneys’ fees incurred by Franchisor in connection with the dispute, including in connection with the mediation through the conclusion of the mediation.

9. Excluded Claims. “Excluded Claims” means any controversy, dispute, or claim by Franchisor against Franchisee or any Franchisee Related Party that Franchisor elects not to submit to mediation or arbitration (in Franchisor’s sole and absolute discretion) for: (a) violation of any provision relating to use of the Marks and/or any Confidential Information; (b) violation of Franchisor’s and/or its affiliate’s federally or state protected intellectual property rights in the Marks, the System, and/or in any Confidential Information; (c) violation of any of the restrictive covenants in this Agreement, including the confidentiality and/or non-competition covenants; and/or (d) any claims for indemnification and/or to collect past due amounts owed to Franchisor and/or a Franchisor Related Party.

10. Injunctive Relief. Notwithstanding anything contained in this Agreement to the contrary, Franchisor may seek injunctive relief in the state or federal courts in any court with personal jurisdiction over Franchisee if Franchisee is violating or threatening to violate any restrictive covenant in this Agreement or if Franchisee is infringing on Franchisor’s and/or its affiliate’s rights in the Marks. In such an action, Franchisor may, but is not obligated to, assert any other existing claims against Franchisee.

D. Arbitration. Except to the extent Franchisor elects to enforce the provisions of this Agreement by injunction as provided in Section 18(E) below or mediation as provided in Section 18(C) above, 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 18(C) above will be resolved by arbitration on an individual basis under the authority of the Federal Arbitration Act in Milwaukee, Wisconsin or the city/county and state where Franchisor’s current corporate headquarters is located. 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 18 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.

E. Injunctive Relief. Notwithstanding Sections 18(B), (C), and (D) 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.

F. No Class or Collective Action. Franchisee agrees that any mediation, litigation, or, if applicable, arbitration, between Franchisee and/or any Franchisee Related Party on the one hand, and

Franchisor and/or a Franchisor Related Party on the other hand, including, without limitation, any proceedings arising out of or related to this Agreement, the offer and sale of this franchise opportunity, the performance of either party, and/or Franchisee's purchase from Franchisor of the franchise, and/or any goods or services, will be conducted on an individual, not a class-wide, collective, associational or representative basis, and that any proceeding between Franchisee and/or a Franchisee Related Party, on the one hand, and Franchisor and/or any Franchisor Related Party, on the other hand, may not be consolidated with any other proceeding between Franchisor and any other third party. No class actions or the joinder of any person, entity or association that is not a party to this Agreement shall be involved in or participate in any legal proceeding between Franchisor and/or a Franchisor Related Party, on the one hand, and Franchisee and/or a Franchisee Related Party, on the other hand.

G. Contractual Limitation of Claims. Franchisee on behalf of itself and all Franchisee Related parties expressly agrees that no claim or cause of action may be filed or maintained against Franchisor and/or any Franchisor Related Party arising out of or relating to this Agreement, the relationship established by this Agreement, the offer and sale of the franchise opportunity, and/or the operation of the Franchised Business unless such claim or cause of action is filed before the expiration of the "Limitations Period." For purposes of this paragraph, the term "Limitations Period" means: one (1) year from the earlier of: (a) the date of the act, transaction or occurrence giving rise to the claim against Franchisor and/or a Franchisor Related Party; or (b) the date on which Franchisee or any Franchisee Related Party knew or reasonably should have known of the facts or circumstances giving rise to the claim against Franchisor or a Franchisor Related Party. Notwithstanding the foregoing, if the Limitations Period is unenforceable under the law of the state where Franchisor's then-current corporate headquarters is located (or, in the event a court determines a different state's law applies to the claim, then under that state's law), then the Limitations Period shall be equal to the shortest time period for a limitation of claims provision that is enforceable under the applicable law.

This contractual limitation of claims provision applies to all claims, whether based on contract, tort, statute, or any other legal theory. Franchisee acknowledges that this limitation of claims provision and the Limitations Period is a material inducement for Franchisor to enter into this Agreement and that it is intended to provide certainty and finality to potential disputes. To the fullest extent permitted by law, Franchisee hereby waives any longer statutory limitation period and agrees that the foregoing limitation is reasonable and enforceable.

19. 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 and the Franchisee may, by written instrument signed by Franchisor and Franchisee, waive any obligation of or restriction upon the other under this Agreement. Acceptance by Franchisor of any payment by the Franchisee and the failure, refusal or neglect of Franchisor to exercise any right under this Agreement or to insist upon full compliance by the Franchisee of its

obligations hereunder including, without limitation, any mandatory specification, standard or operating procedure, will not constitute a waiver by Franchisor of any provision of this Agreement.

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 and Jurisdiction. Unless provided by this Agreement or applicable law to the contrary, all litigation, lawsuits, hearings, proceedings and other actions initiated by either party against the other party will be held exclusively in the city/county and state of Franchisor's then-current corporate headquarters, as Franchisor designates, which is currently Waukesha County, Wisconsin. Franchisee acknowledges that the Franchisee and its officers, directors, members, partners and employees have had substantial business and personal contacts with Franchisor in the city and state of Franchisor's then-current corporate headquarters. Consequently, Franchisor, the Franchisee, and each of their officers, directors and shareholders, and the personal guarantors do hereby agree and submit to personal jurisdiction in the State of Wisconsin or any other state where Franchisor's then-current corporate headquarters is located for the purposes of any suit or proceeding brought to enforce or construe the terms of this Agreement or to resolve any dispute or controversy between the parties, including any dispute or controversy arising under, as a result of, or in connection with this Agreement, the Franchised Business and/or the offer or sale of the franchise opportunity, and do hereby agree and stipulate that any such suits, proceedings, hearings or other actions will be exclusively held in the city/county and state of Franchisor's then-current corporate headquarters, as Franchisor designates, which is currently Waukesha County, Wisconsin. Franchisor also reserves the right to file any litigation, lawsuits, hearings, proceedings or other action against the Franchisee in the federal or state courts where the Franchised Business is located. The Franchisee waives all rights to challenge personal jurisdiction and venue.

E. Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 et seq.), this Agreement, the relationship between Franchisor and Franchisee and any dispute between Franchisor and/or a Franchisor related party on the one hand, and Franchisee and/or a Franchisee Related Party on the other hand, shall be subject to and shall be enforced and construed pursuant to the laws of the state where Franchisor's then-current corporate headquarters is located, which is currently Wisconsin. If any provision or term of this Agreement is held to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

F. Attorneys' Fees. If Franchisee is in breach or default of any monetary or nonmonetary obligation under this Agreement or any related agreement between Franchisee and/or any Franchisee Related Party and Franchisor and/or any Franchisor Related Party, and Franchisor engages an attorney to enforce Franchisor's rights (whether or not formal judicial proceedings are initiated), Franchisee must pay all reasonable attorneys' fees, court costs and litigation expenses Franchisor incurs. If Franchisee and/or any Franchisee Related Party institutes any legal action to interpret or enforce the terms of this Agreement, and Franchisee's claim in such action is denied or the action is dismissed (including for failure to comply with the mediation pre-condition to litigation), Franchisee shall pay to Franchisor all attorneys' fees, costs and expenses incurred by Franchisor in defending against any such action, and such an amount shall be awarded as part of the judgment in the proceeding.

G. Third-Party Beneficiaries. Franchisor's officers, directors, members, agents and/or employees are express third-party beneficiaries of the provisions of this Agreement, including the dispute resolution provisions set forth in Article 18, each having the authority to specifically enforce the right to mediate claims asserted against such person(s) by Franchisee and/or any Personal Guarantor.

H. Binding Agreement. This Agreement is binding upon the parties and their respective executors, administrators, heirs, assigns, and successors in interest.

I. 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.

J. 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.

K. **WAIVER OF JURY TRIAL. EACH PARTY IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION BROUGHT BY EITHER PARTY, WHETHER BASED ON CONTRACT, TORT, STATUTE, OR ANY OTHER LEGAL THEORY. FRANCHISEE AND FRANCHISOR AGREE THAT ANY PROCEEDING, WHETHER AT LAW OR IN EQUITY, WHICH ARISES OUT OF, CONCERNS, OR IS RELATED TO THIS AGREEMENT OR ANY OF THE RELATIONSHIPS OR TRANSACTION CONTEMPLATED BY THIS AGREEMENT, OR FRANCHISEE'S PURCHASE OF THE FRANCHISE OPPORTUNITY SHALL BE TRIED BEFORE A COURT OF COMPETENT JURISDICTION AND NOT A JURY.**

L. **WAIVER OF PUNITIVE DAMAGES. FRANCHISEE HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOST PROFITS) AGAINST FRANCHISOR AND/OR ANY FRANCHISOR RELATED PARTY ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) AND AGREES THAT IN THE EVENT OF A DISPUTE, THAT FRANCHISEE'S RECOVERY IS LIMITED TO ACTUAL DAMAGES. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS SHALL CONTINUE IN FULL FORCE AND EFFECT, INCLUDING, WITHOUT LIMITATION, THE WAIVER OF ANY RIGHT TO CLAIM ANY CONSEQUENTIAL DAMAGES. NOTHING IN**

THIS SECTION OR ANY OTHER PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED TO PREVENT FRANCHISOR FROM CLAIMING AND OBTAINING EXPECTATION OR CONSEQUENTIAL DAMAGES, INCLUDING LOST FUTURE ROYALTIES FOR THE BALANCE OF THE TERM OF THIS AGREEMENT IF IT IS TERMINATED DUE TO FRANCHISEE'S DEFAULT, WHICH THE PARTIES AGREE AND ACKNOWLEDGE FRANCHISOR MAY CLAIM UNDER THIS AGREEMENT.

M. 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.

N. 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. A force majeure event does not excuse or alleviate Franchisee's obligation to pay monies owed to Franchisor, its affiliates, or designated suppliers under this Agreement.

O. No Withholding of Payments to Franchisor. Franchisee will not for any reason withhold payment of any royalty fees or any other fees or payments due to Franchisor pursuant to this Agreement or pursuant to any other contract, agreement or obligation to Franchisor. Franchisee will not have the right to "offset" any liquidated or unliquidated amounts, damages or other funds allegedly due to the Franchisee by Franchisor against any royalty fees or any other fees or payments due to Franchisor under this Agreement or under any other agreement or contract. Franchisor shall have the right to apply any payments received from the Franchisee first to the repayment of all costs of collection, including but not limited to attorney's fees, next to any late payment charges, next to accrued interest and then to the oldest obligation due under this Agreement or any other agreement between the Franchisee and Franchisor or an affiliate of Franchisor. In addition, Franchisor shall have the right to set-off, from any amounts that Franchisor may owe to the Franchisee, any amount that the Franchisee owes to Franchisor.

P. Cumulative Rights. The rights of Franchisor hereunder are cumulative and no exercise or enforcement by Franchisor of any right or remedy hereunder will preclude the exercise or enforcement by Franchisor of any other right or remedy hereunder or which Franchisor is entitled by law to enforce.

Q. No Personal Liability. Franchisee agrees that fulfillment of any and all of Franchisor's obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a Court of Law shall be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company shall be personally liable to Franchisee for any reason. This is an important part of this Agreement. Franchisee agrees that nothing that Franchisee believes Franchisee has been told by Franchisor or Franchisor's representatives shall be binding unless it is written in this Agreement. This is an important part of this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

R. 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.

S. No Oral Modification. This Agreement may only be modified or amended by a written amendment executed by Franchisee and Franchisor. Notwithstanding anything herein to the contrary, Franchisor shall have the right unilaterally to reduce the scope of any covenants of Franchisee contained in this Agreement upon notice to Franchisee, whereupon Franchisee shall comply therewith as so modified. The Franchisee and Franchisor will not have the right to amend or modify this Agreement orally or verbally, and any attempt to do so will be void in all respects.

T. Delegation. Franchisee agrees that Franchisor shall have the right to delegate to third-party designees, whether these designees are Franchisor's agents or independent contractors with whom Franchisor has contracted (1) the performance of any portion or all of Franchisor's obligations under this Agreement, and (2) any right that Franchisor has under this Agreement. If Franchisor does so, such third-party designees will be obligated to perform the delegated functions for Franchisee in compliance with this Agreement.

U. Entire Agreement. This Agreement, inclusive of all exhibits, constitutes the entire, full and complete agreement and understanding between the parties and supersedes all prior agreements. No other representations, promises, warranties or agreements have induced Franchisee to sign this Agreement with Franchisor. Both parties agree that there are no oral or written representations, promises, assurances, warranties, covenants, "side-deals", rights of first refusal, options or understandings other than those in this Agreement. This Agreement supersedes all prior agreements, no other representations, promises, warranties, assurances, covenants, "side deals", rights of first refusal, options or understandings having induced Franchisee to sign this Agreement. The Parties agree that, in entering into this Agreement, they are each relying on their own judgment, belief and knowledge as to any claims and further agree that no promise, inducement or agreement or any representations and warranties not expressed in this Agreement have been made to procure their entering into this Agreement. The parties agree that they have read, fully understand and fully agreed to the terms of this Agreement. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document Franchisor furnished to Franchisee before entering into this Agreement.

V. Joint and Several Liability. If the Franchisee consists of more than one individual, then the liability of all such individuals under this Agreement will be joint and several.

W. Headings; Terms. The headings of the Articles are for convenience only and do not in any way define, limit or construe the contents of such Article. The term "Franchisee" as used herein is applicable to one or more individuals, a corporation or a partnership, as the case may be, and the singular usage includes the plural, the masculine usage includes the neuter and the feminine, and the neuter usage includes the masculine and the feminine. References to "Franchisee," "assignee," "licensee" and "transferee" which are applicable to an individual or individuals will mean the principal owner or owners of the equity or operating control of the Franchisee or any such assignee or transferee if the Franchisee or such assignee or transferee is a corporation or partnership. If the Franchisee consists of more than one individual, then all individuals will be bound jointly and severally by the terms and conditions of this Agreement.

20. 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.

21. 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: Joe Malmuth
Title: Chief Development Officer

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 AND INITIAL FRANCHISE FEE

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. 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: Joe Malmuth
Title: Chief Development Officer

By: _____
Title: _____

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

Franchisee

Franchisee

**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 eighty days (180) 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 eighty days (180) 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: Joe Malmuth
Title: Chief Development Officer

By: _____
Title: _____

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

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 Fifty-Eight Dollars (\$458). 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

LICENSEE:

(If Franchisee is a corporation or limited
liability company)

Name of corporation or limited liability
company

By: Joe Malmuth
Title: Chief Development Officer

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: Joe Malmuth
Title: Chief Development Officer

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 December 31, 2024

BATTERIES PLUS FRANCHISE STORES

| Owners | Address 1 | Address 2 | City | State | Zip | Phone Nbr |
|------------------------------------|---------------------------------|-----------|------------------------|-------|-------|----------------|
| M & L Investment, LLC | 3027 Airport Way | | Fairbanks | AK | 99709 | (907) 328-4040 |
| M & L Investment, LLC | 591 E Parks Hwy | Suite 402 | Wasilla | AK | 99654 | (907) 376-1181 |
| M & L Investment, LLC | 940 W International Airport Rd. | Unit A | Anchorage | AK | 99518 | (907) 770-6110 |
| Liion Power Inc. | 2800 Greystone Commercial Blvd. | #2A | Birmingham - Greystone | AL | 35242 | (205) 995-0053 |
| Liion Power Inc. | 505B 15th Street E | | Tuscaloosa | AL | 35401 | (205) 343-1780 |
| Liion Power Inc. | 5951 Valley Rd | | Trussville | AL | 35173 | (205) 655-0002 |
| Liion Power Inc. | 2302 Pelham Parkway | | Pelham | AL | 35124 | (205) 621-9888 |
| Liion Power Inc. | 224 Oxmoor Blvd | | Homewood | AL | 35209 | (205) 945-5506 |
| Orange & Blue Inc. | 1604 Beltline Road Southwest | | Decatur | AL | 35601 | (256) 350-0000 |
| Orange & Blue Inc. | 3022 Memorial Parkway South | Suite 700 | Huntsville | AL | 35801 | (256) 270-9700 |
| Orange & Blue Inc. | 2605 Florence Blvd | | Florence | AL | 35630 | (256) 246-0797 |
| Orange & Blue Inc. | 30694 US Highway 72 | Suite C | Madison | AL | 35756 | (256) 837-7500 |
| Batteries & Bulbs of Arkansas, LLC | 801 South Bowman Road | Suite #2 | Little Rock | AR | 72211 | (501) 224-2852 |
| Peak Batteries of Oklahoma, LLC | 4500 W. Walnut St | #7 | Rogers | AR | 72756 | (479) 631-7587 |
| Sutherlands Power & Light, LLC | 6808 Rogers Avenue | Suite A | Fort Smith | AR | 72903 | (479) 439-8282 |
| Arizona Tech Group LLC | 7502 West Thomas Road | Suite 9 | Phoenix | AZ | 85033 | (623) 247-6923 |
| Cobblestone Group II LLC | 20928 N John Wayne Pkwy | Unit C9 | Maricopa | AZ | 85139 | (520) 614-6634 |
| Cobblestone Group II LLC | 20311 South Ellsworth Rd | Suite 108 | Queen Creek | AZ | 85142 | (480) 590-5822 |
| Cobblestone Group II LLC | 3774 Hwy 95 | Suite 1 | Bullhead City | AZ | 86442 | (928) 299-5400 |
| Cobblestone Group II LLC | 1275 E. Florence Blvd | Suite 6 | Casa Grande | AZ | 85122 | (520) 421-1111 |

| Owners | Address 1 | Address 2 | City | State | Zip | Phone Nbr |
|-----------------------------|------------------------------|------------|-----------------|-------|-------|----------------|
| Energized Enterprises, Inc. | 2500 S 4th Avenue | Suite 1 | Yuma | AZ | 85364 | (928) 366-1013 |
| Irish Batteries LLC | 7129 E First St | Suite 103 | Prescott Valley | AZ | 86314 | (928) 772-1152 |
| Phoenix Battery Source, LLC | 25314 N. Lake Pleasant Pkwy | Suite 1270 | Peoria | AZ | 85383 | (623) 562-3444 |
| Phoenix Battery Source, LLC | 12845 W Bell Road | | Surprise | AZ | 85378 | (623) 226-7077 |
| Phoenix Battery Source, LLC | 1217 W. Irvington Rd. | Unit 151 | Tucson | AZ | 85714 | (520) 889-9978 |
| Phoenix Battery Source, LLC | 1809 N. Dysart Rd | Suite 104 | Avondale | AZ | 85392 | (623) 536-0022 |
| Phoenix Battery Source, LLC | 29 N Val Vista Dr | Suite 105 | Gilbert | AZ | 85234 | (480) 632-1909 |
| Phoenix Battery Source, LLC | 6680 W Bell Rd | Suite A | Glendale | AZ | 85308 | (623) 979-0532 |
| Phoenix Battery Source, LLC | 14202 N Scottsdale Rd | Suite 147 | Scottsdale | AZ | 85254 | (480) 998-5004 |
| Phoenix Battery Source, LLC | 3838 E Thomas Rd | | Phoenix | AZ | 85018 | (602) 840-4034 |
| Phoenix Battery Source, LLC | 1145 S Power Rd | Suite 102 | Mesa | AZ | 85206 | (480) 654-3870 |
| Phoenix Battery Source, LLC | 3415 W Glendale Ave | Suite #2 | Phoenix | AZ | 85051 | (602) 841-3900 |
| Phoenix Battery Source, LLC | 3404 S McClintock Dr | | Tempe | AZ | 85282 | (480) 820-0703 |
| Phoenix Battery Source, LLC | 2404 E Bell Rd | | Phoenix | AZ | 85032 | (602) 787-8808 |
| Phoenix Battery Source, LLC | 3014 N Dobson Rd | Suite 2 | Chandler | AZ | 85224 | (480) 730-1103 |
| Phoenix Battery Source, LLC | 4433 N. First Avenue | Suite 175 | Tucson | AZ | 85719 | (520) 888-3388 |
| Phoenix Battery Source, LLC | 5925 W. Arizona Pavilions Dr | Suite 107 | Tucson | AZ | 85743 | (520) 744-8788 |
| Phoenix Battery Source, LLC | 1031 N. Wilmot | | Tucson | AZ | 85711 | (520) 747-8228 |
| The Transport Company, LLC | 140 E. Deuce of Clubs Drive | Suite D | Show Low | AZ | 85901 | (928) 251-4316 |

| Owners | Address 1 | Address 2 | City | State | Zip | Phone Nbr |
|---|----------------------------|------------|------------------|-------|-------|----------------|
| The Transport Company, LLC | 602 W. Route 66 | | Flagstaff | AZ | 86001 | (928) 774-6800 |
| Alpha Power Solution, Inc. | 4707 Quail Lakes Drive | Suite 100A | Stockton | CA | 95207 | (209) 490-2607 |
| Alpha Power Solution, Inc. | 369 S Lower Sacramento Rd | Suite A | Lodi | CA | 95242 | (209) 370-6343 |
| Amicita Partners, Inc. | 2648 Santa Rosa Avenue | Suite B | Santa Rosa | CA | 95407 | (707) 536-1919 |
| Arizona Tech Group LLC | 1971 E. 17th Street | Suite B | Santa Ana | CA | 92705 | (714) 900-2220 |
| Bay Area Batteries, Inc. | 3410 Stevens Creek Blvd | Suite 100 | San Jose | CA | 95117 | (408) 538-3333 |
| BP Power-Ventura, LLC | 1725 S Victoria Ave | Suite B | Ventura | CA | 93003 | (805) 658-6400 |
| C&B Batteries, LLC | 407 W. Imperial Hwy | Suite B | Brea | CA | 92821 | (714) 529-1800 |
| Desert Accumulator, LLC | 72705 Highway 111 | Suite B-12 | Palm Desert | CA | 92260 | (760) 527-3400 |
| Green Earth Electrical Storage, Inc. | 2064 4th St | | San Rafael | CA | 94901 | (415) 455-9221 |
| Happy Dogs Batteries, Inc. | 9950 Foothill Blvd | Suite Z | Rancho Cucamonga | CA | 91730 | (909) 578-0123 |
| HirthCo Enterprises, Inc. | 163 B West Ventura Blvd | | Camarillo | CA | 93010 | (805) 383-7100 |
| HirthCo Enterprises, Inc. | 1742 N Moorpark Rd | | Thousand Oaks | CA | 91360 | (805) 494-8484 |
| K2B, LLC | 313 N. McDowell Blvd | | Petaluma | CA | 94954 | (707) 794-2244 |
| Leon Cai & Polly Deng | 95 W. Shaw Avenue | Suite 105 | Clovis | CA | 93612 | (559) 900-2789 |
| Matthew Cox, an Individual | 1811 N. Broadway | | Santa Maria | CA | 93454 | (805) 332-3974 |
| Nicole & Lance Brown | 101 Mount Hermon Rd | | Scotts Valley | CA | 95066 | (831) 439-6720 |
| Pacific Accumulator and Light Co., Inc. | 26475 Ynez Road | | Temecula | CA | 92591 | (951) 267-4200 |
| RPower, LLC | 1701 E. Monte Vista Avenue | Unit 200 | Vacaville | CA | 95688 | (707) 317-6999 |
| RPower, LLC | 1199 Butte House Rd | Suite D | Yuba City | CA | 95991 | (530) 671-9905 |
| RPower, LLC | 1355 Churn Creek Rd | Suite C-8 | Redding | CA | 96003 | (530) 221-5415 |
| RPower, LLC | 2500 Zanella Way | Suite D | Chico | CA | 95928 | (530) 891-5690 |
| SBP, Inc. | 3000 McHenry Ave | Suite 1 | Modesto | CA | 95350 | (209) 529-0600 |
| SBP, Inc. | 3330 East Hammer Lane | Suite E | Stockton | CA | 95212 | (209) 952-1438 |

| Owners | Address 1 | Address 2 | City | State | Zip | Phone Nbr |
|------------------------------|-------------------------------|------------|---------------------------|-------|-------|----------------|
| SBP, Inc. | 3312 W Shaw Ave | | Fresno | CA | 93711 | (559) 277-8288 |
| SharonTom Batteries, Inc. | 557 Contra Costa Blvd. | | Pleasant Hill | CA | 94523 | (925) 687-2600 |
| Siddiq Khan | 2612 South Bristol | | Santa Ana | CA | 92704 | (657) 655-7587 |
| SoCal Batteries, Inc. | 2070 Hacienda Dr | Suite D | Vista | CA | 92081 | (760) 940-0940 |
| Tollefson & Associates, Inc. | 7903 Walerga Road | Suite 101 | Antelope | CA | 95843 | (916) 510-8488 |
| Tollefson & Associates, Inc. | 11865 Willow Creek Drive | | Auburn | CA | 95603 | (530) 483-8566 |
| Tollefson & Associates, Inc. | 2791 E. Bidwell Street | Suite 200 | Sacramento - Folsom | CA | 95630 | (916) 790-9300 |
| Tollefson & Associates, Inc. | 1632 Howe Avenue | | Sacramento | CA | 95825 | (916) 333-5080 |
| Tollefson & Associates, Inc. | 767 Ikea Court | Suite 125 | West Sacramento | CA | 95605 | (916) 737-5959 |
| Tollefson & Associates, Inc. | 8239 Laguna Boulevard | Suite 140 | Sacramento - Elk Grove | CA | 95758 | (916) 691-3300 |
| Tollefson & Associates, Inc. | 910 Pleasant Grove Blvd | Suite 100 | Sacramento - Roseville | CA | 95678 | (916) 786-2222 |
| Tollefson & Associates, Inc. | 8025 Greenback Lane | Suite A | Sacramento-Citrus Heights | CA | 95610 | (916) 722-3300 |
| Tourbillon Enterprises LLC | 9038 Garvey Avenue, Suite 102 | | Rosemead | CA | 91770 | (626) 889-6614 |
| 3Sevens LLC | 1137 Diamond Circle | Suite 300 | Lafayette | CO | 80026 | (303) 665-0830 |
| CDF Enterprises, Inc. | 5620 E. Woodmen Rd | | Colorado Springs | CO | 80920 | (719) 572-7300 |
| CDF Enterprises, Inc. | 2713 Janitell Rd | Suite #160 | Colorado Springs | CO | 80906 | (719) 219-0323 |
| CDF Enterprises, Inc. | 1408 U.S. Hwy 50W | | Pueblo | CO | 81008 | (719) 583-8766 |
| CDF Enterprises, Inc. | 3320 Austin Bluffs Pkwy | | Colorado Springs | CO | 80918 | (719) 599-9554 |
| Energized LLC | 6819 Space Village Avenue | | Colorado Springs | CO | 80915 | (719) 597-1288 |
| Incandescent Industries, LLC | 4714 Milestone Lane | Unit E | Castle Rock | CO | 80104 | (720) 821-8018 |
| Phaeton Investments, Inc. | 4330 Center Place Drive | Unit 618 | Greeley | CO | 80634 | (970) 506-0551 |
| Ptacek Enterprises, Inc. | 1439 N Denver Ave | | Loveland | CO | 80538 | (970) 776-1515 |
| Ptacek Enterprises, Inc. | 1020 Ken Pratt Blvd | Suite E | Longmont | CO | 80501 | (303) 485-8389 |

| Owners | Address 1 | Address 2 | City | State | Zip | Phone Nbr |
|--------------------------------|----------------------------|------------|----------------|-------|-------|----------------|
| Ptacek Enterprises, Inc. | 1107 W. Drake | Suite E3 | Fort Collins | CO | 80526 | (970) 206-0206 |
| Rock Ridge Enterprises, LLC | 578 25 Road | | Grand Junction | CO | 81505 | (970) 245-7000 |
| Ahsan Shafi | 1555 Black Rock Turnpike | | Fairfield | CT | 06825 | (475) 356-4484 |
| CT Batteries & Bulbs, LLC | 481 Boston Post Road | | Orange | CT | 06477 | (203) 298-9865 |
| Devmor, LLC | 179 Deming Street | | Manchester | CT | 06042 | (860) 432-1401 |
| 4 X Willpower, LLC | 1735 North Federal Highway | Suite #101 | Hollywood | FL | 33020 | (954) 399-7292 |
| Desert Rose LLC | 810 N Parrott Avenue | | Okeechobee | FL | 34972 | (863) 484-6032 |
| Azarel Holdings Inc. | 1820 58th Avenue | Suite 102 | Vero Beach | FL | 32966 | (772) 617-2403 |
| BatterieSource, LLC | 4554 13th Street | Suite D | St. Cloud | FL | 34769 | (321) 430-6360 |
| Battery Bros, LLC | 1100 N Alafaya Trail | Suite 150 | Orlando | FL | 32828 | (407) 392-0899 |
| Black Ops Capital, LLC | 1918 NE 5th Avenue | | Boca Raton | FL | 33431 | (561) 270-4640 |
| BPB 537 LLC | 5513 Normandy Blvd. | | Jacksonville | FL | 32205 | (904) 518-5035 |
| Brevard Batteries & Bulbs, LLC | 4025 W. New Haven Avenue | | West Melbourne | FL | 32904 | (321) 499-3509 |
| Brevard Batteries & Bulbs, LLC | 357 E. Merritt Island Cswy | | Merritt Island | FL | 32952 | (321) 459-1393 |
| Brevard Batteries & Bulbs, LLC | 5000 N. Wickham Road | Suite 101 | Melbourne | FL | 32940 | (321) 752-4984 |
| Capital Rescue Financial LLC | 1209 Saxon Blvd | | Orange City | FL | 32763 | (386) 229-4005 |
| Fully Charged, LLC | 14530 South Military Trail | Suite A6-7 | Delray Beach | FL | 33484 | (561) 501-5461 |
| Fully Charged, LLC | 4450 FL-7 | Suite 4-5 | Coconut Creek | FL | 33073 | (954) 623-6066 |
| Future Plus of Florida, Inc. | 13794 Beach Blvd | Suite 2 | Jacksonville | FL | 32224 | (904) 677-5911 |
| Future Plus of Florida, Inc. | 1120 East Hwy 50 | Suite E | Clermont | FL | 34711 | (352) 432-1850 |
| Future Plus of Florida, Inc. | 775 Cypress Gardens Blvd | | Winter Haven | FL | 33880 | (863) 576-1230 |
| Future Plus of Florida, Inc. | 3308 Greenwald Way North | | Kissimmee | FL | 34741 | (407) 910-4466 |
| Future Plus of Florida, Inc. | 3080 Southwest Archer Road | | Gainesville | FL | 32608 | (352) 872-5920 |

| Owners | Address 1 | Address 2 | City | State | Zip | Phone Nbr |
|----------------------------------|----------------------------|-----------|------------------------|-------|-------|----------------|
| Future Plus of Florida, Inc. | 3950 SW College Rd | Suite 101 | Ocala | FL | 34474 | (352) 873-6800 |
| Future Plus of Florida, Inc. | 4506 W Kennedy Blvd | | Tampa - South | FL | 33609 | (813) 873-2600 |
| Future Plus of Florida, Inc. | 3230 South Florida Avenue | | Lakeland | FL | 33803 | (863) 686-4888 |
| Future Plus of Florida, Inc. | 1926 W. Brandon Blvd. | | Brandon | FL | 33511 | (813) 689-3300 |
| Ghost Battery Ops LLC | 5640 NW 167th Street | | Miami Lakes | FL | 33014 | (305) 626-8700 |
| Hartford Acquisitions | 4234 US Hwy 90 | | Pace | FL | 32571 | (850) 889-4045 |
| Hartford Acquisitions | 6895 N. 9th Avenue | Suite B | Pensacola | FL | 32504 | (850) 361-4621 |
| Jupiter Battery, Inc. | 6390 W. Indiantown Rd | Suite 36 | Jupiter | FL | 33458 | (561) 743-7733 |
| Kato Kids LLC | 1690 Tamiami Trail | | Port Charlotte | FL | 33948 | (941) 766-1400 |
| Keys Kids, LLC | 511 US Highway 41 Bypass N | | Venice | FL | 34285 | (941) 488-2120 |
| Links Holdings Investments LLC | 110 Flagler Plaza Drive | | Palm Coast | FL | 32164 | (386) 338-3346 |
| Lipps Event Batteries LLC | 12700 SW 122nd Avenue | Suite 115 | Miami | FL | 33186 | (305) 768-9813 |
| Los Pasos, LLC | 6400 S. Dixie Hwy. | Suite 3 | Miami | FL | 33143 | (305) 661-4567 |
| Maipu Villa Corp | 1759 NE 163rd St | | North Miami Beach | FL | 33162 | (305) 749-6302 |
| Palm Beach Battery Ventures, LLC | 551 N. State Road 7 | Suite 102 | Royal Palm Beach | FL | 33411 | (561) 333-5332 |
| Palm Beach Battery Ventures, LLC | 1250 Northlake Blvd | | Lake Park - PB Gardens | FL | 33403 | (561) 881-8900 |
| Palm Beach Battery Ventures, LLC | 6250 Lantana Road | Suite 23 | Lake Worth | FL | 33463 | (561) 304-0707 |
| Powell Batteries, Inc. | 2121 West Tennessee Street | Suite 5 | Tallahassee | FL | 32304 | (850) 518-7644 |
| Powell Batteries, Inc. | 1400 Village Square Blvd | Suite 17 | Tallahassee | FL | 32312 | (850) 629-4175 |
| R.G. Garth Co., Inc. | 36 A Blanding Blvd | | Orange Park | FL | 32073 | (904) 375-0495 |
| R.G. Garth Co., Inc. | 10991-56 San Jose Blvd | | Jacksonville | FL | 32223 | (904) 886-2800 |
| R.G. Garth Co., Inc. | 3747 Southside Blvd | | Jacksonville | FL | 32216 | (904) 620-9992 |
| Rock Family Enterprises, Inc. | 761 Cortaro Dr | | Sun City Center | FL | 33573 | (813) 819-2727 |

| Owners | Address 1 | Address 2 | City | State | Zip | Phone Nbr |
|-------------------------------|---------------------------|------------|-----------------|-------|-------|----------------|
| Rock Family Enterprises, Inc. | 6920 4th Street North | | St. Petersburg | FL | 33702 | (727) 888-4999 |
| Rock Family Enterprises, Inc. | 13176 Cortez Blvd | Unit 40 | Spring Hill | FL | 34613 | (352) 556-5242 |
| Rock Family Enterprises, Inc. | 5644 US Hwy 19 | | New Port Richey | FL | 34652 | (727) 849-6700 |
| Rock Family Enterprises, Inc. | 11557 SR 70 East | | Lakewood Ranch | FL | 34202 | (941) 722-3160 |
| Rock Family Enterprises, Inc. | 13002 Seminole Blvd. | Suite 1 | Largo | FL | 33778 | (727) 586-4357 |
| Rock Family Enterprises, Inc. | 6480 Park Blvd | | Pinellas Park | FL | 33781 | (727) 545-9298 |
| Rock Family Enterprises, Inc. | 6240 14th Street West | | Bradenton | FL | 34207 | (941) 752-0812 |
| Rock Family Enterprises, Inc. | 4401 Bee Ridge Road | | Sarasota | FL | 34233 | (941) 377-4441 |
| Rock Family Enterprises, Inc. | 1703 W. Fletcher | | Tampa - North | FL | 33612 | (813) 960-5667 |
| Rock Family Enterprises, Inc. | 1761 Main Street | Suite 100 | Dunedin | FL | 34698 | (727) 726-0228 |
| Southside Investment, LLC | 900 SW Pine Island Road | Suite #118 | Cape Coral | FL | 33991 | (239) 402-3152 |
| Southside Investment, LLC | 24830 S Tamiami Trail | Suite 2000 | Bonita Springs | FL | 34134 | (239) 382-7165 |
| Southside Investment, LLC | 1811 Tamiami Trail N | | Naples | FL | 34102 | (239) 799-1890 |
| Southside Investment, LLC | 11200 S. Cleveland Avenue | | Ft Myers | FL | 33907 | (239) 387-1405 |
| Stai Batteries, LLC | 9967 Triangle Blvd | | Naples | FL | 34113 | (239) 392-5020 |
| Stuart Battery, Inc. | 2002 S.E. Federal Highway | | Stuart | FL | 34994 | (772) 287-7131 |
| Way Maker, Inc. | 1551 E. Commercial Blvd | | Ft Lauderdale | FL | 33334 | (954) 771-0838 |
| ARC Batteries, LLC | 503 Turner McCall Blvd | | Rome | GA | 30165 | (706) 295-0005 |
| Batteries One, Inc. | 9641 Hwy 5 | Suite C | Douglasville | GA | 30135 | (770) 489-6402 |

| Owners | Address 1 | Address 2 | City | State | Zip | Phone Nbr |
|--------------------------------|------------------------------------|----------------------------|----------------|-------|-------|----------------|
| Batteries Three, LLC | 1133 East West Connector | Suite 380 | Austell | GA | 30106 | (678) 556-0909 |
| Batteries, Watts & Things, LLC | 334-A Bullsboro Drive | Suite A | Newnan | GA | 30263 | (678) 833-3730 |
| Batteries, Watts & Things, LLC | 170 Peachtree East Shopping Center | | Peachtree City | GA | 30269 | (770) 692-4273 |
| Batteries, Watts & Things, LLC | 1540 Hudson Bridge Road | Suite A-12 | Stockbridge | GA | 30281 | (770) 474-5999 |
| Batteries, Watts & Things, LLC | 3932 North Druid Hills Rd | Suite A | Decatur | GA | 30033 | (770) 414-6979 |
| BatteriesTwo, LLC | 2953 Cobb Parkway NW | Mack Dobbs Pt Shopping Ctr | Kennesaw | GA | 30152 | (678) 331-1416 |
| High Voltage, LLC | 9820 Hwy 92 | Suite 160 | Woodstock | GA | 30188 | (770) 852-2282 |
| High Voltage, LLC | 975 Dawsonville Hwy | Suite 18 | Gainesville | GA | 30501 | (770) 287-3731 |
| High Voltage, LLC | 906 Market Place Blvd | Suite 102 | Cumming | GA | 30041 | (770) 781-6460 |
| Irish Plus, LLC | 495 Moreland Ave SE | Suite A | Atlanta | GA | 30316 | (404) 902-2988 |
| Irish Plus, LLC | 4650 Hugh Howell Road | Building 600, Suite 620 | Tucker | GA | 30084 | (678) 713-2620 |
| Irish Plus, LLC | 12601 Town Center Drive | Suite 110 | Covington | GA | 30014 | (770) 373-4910 |
| Irish Plus, LLC | 3429 Lawrenceville Suwanee Road | Suite B | Suwanee | GA | 30024 | (678) 904-2254 |
| Irish Plus, LLC | 4706 Ashford Dunwoody Road | Building B1, Unit #220 | Dunwoody | GA | 30338 | (678) 904-2244 |
| Irish Plus, LLC | 4101 Roswell Road | Suite 305/306 | Marietta | GA | 30062 | (678) 403-2066 |
| Irish Plus, LLC | 905 Parkside Walk Lane | Suite 101 | Lawrenceville | GA | 30043 | (770) 338-1485 |
| Irish Plus, LLC | 1935 Buford Mill Dr | Suite I | Buford | GA | 30519 | (770) 614-7037 |
| Irish Plus, LLC | 265 Tom Hill Sr. Blvd | Suite A | Macon | GA | 31210 | (478) 238-1144 |
| Irish Plus, LLC | 4418 Roswell Road, NE | | Atlanta | GA | 30342 | (404) 256-0310 |
| Irish Plus, LLC | 2324 Ronald Reagan Pkwy | | Snellville | GA | 30078 | (678) 785-4700 |
| Irish Plus, LLC | 51 Cobb Pkwy South | | Marietta | GA | 30060 | (770) 421-0220 |
| Irish Plus, LLC | 3149 Atlanta Hwy | Suite #101 | Athens | GA | 30606 | (706) 354-8444 |
| Mike N Jac Enterprises Inc. | 117 Fairview Road | | Ellenwood | GA | 30294 | (678) 272-8505 |
| R&L Voss, LLC | 717 Gateway Blvd | | Grovetown | GA | 30813 | (706) 305-9400 |

| Owners | Address 1 | Address 2 | City | State | Zip | Phone Nbr |
|----------------------------------|---------------------------|---------------|---------------|-------|-------|----------------|
| R&L Voss, LLC | 4431 Washington Rd | Suite 2 | Evans | GA | 30809 | (706) 364-3215 |
| R&L Voss, LLC | 3803 Washington Road | | Martinez | GA | 30907 | (706) 733-1113 |
| BP Retail Partners, Inc. | 4370 Dodge Street | | Dubuque | IA | 52003 | (563) 583-1398 |
| BP Retail Partners, Inc. | 2439 2nd Street | Suite 1 | Coralville | IA | 52241 | (319) 351-5119 |
| BP Retail Partners, Inc. | 3001 100th Street | | Urbandale | IA | 50322 | (515) 253-9999 |
| BP Retail Partners, Inc. | 909 SE Oralabor Road | Suite 104 | Ankeny | IA | 50021 | (515) 289-0800 |
| BP Retail Partners, Inc. | 266 Blairs Ferry Road, NE | | Cedar Rapids | IA | 52402 | (319) 447-4640 |
| BP Retail Partners, Inc. | 901 E Kimberly Rd | Old Town Mall | Davenport | IA | 52807 | (563) 388-0808 |
| Jellyn Jolley, LLC | 3421 Singing Hills Blvd | | Sioux City | IA | 51106 | (712) 222-1020 |
| R&R Batteries, LLC | 1450 East Army Post Road | Suite 102 | Des Moines | IA | 50320 | (515) 244-9330 |
| TAY Enterprises, LLC | 3570 4th Street SW | Suite 300 | Mason City | IA | 50401 | (641) 903-2612 |
| AMBRO, Inc. | 217 W Canfield Ave | | Coeur D Alene | ID | 83815 | (208) 772-8400 |
| Cobblestone Group II LLC | 537 Blue Lakes Blvd North | | Twin Falls | ID | 83301 | (208) 961-6002 |
| Lewis Retail, Inc. | 1021 Yellowstone Avenue | | Pocatello | ID | 83201 | (208) 232-2665 |
| Lewis Retail, Inc. | 2182 Channing Way | | Idaho Falls | ID | 83404 | (208) 552-0215 |
| Number 13, LLC | 6097 North Ten Mile Road | Suite 130 | Meridian | ID | 83646 | (986) 213-4027 |
| Number 13, LLC | 16174 Merchant Way | | Nampa | ID | 83687 | (208) 938-4550 |
| Number 13, LLC | 2090 S. Cole Road | Suite #101 | Boise | ID | 83709 | (208) 672-1274 |
| Batteries Plus of Rockford, Inc. | 1825 South Perryville Rd | Suite A | Rockford | IL | 61112 | (815) 226-4505 |
| Batteries Plus of Rockford, Inc. | 1512 E Riverside Blvd | | Loves Park | IL | 61111 | (815) 636-2630 |
| BP Retail Partners, Inc. | 1715 Bradford Lane | Suite #135 | Normal | IL | 61761 | (309) 663-2200 |
| BP Retail Partners, Inc. | 300 Avenue of the Cities | | East Moline | IL | 61244 | (309) 764-9555 |
| FACIL Investments Corporation | 1492 S. Randall Road | Unit C | Geneva | IL | 60134 | (630) 313-5700 |

| Owners | Address 1 | Address 2 | City | State | Zip | Phone Nbr |
|--------------------------------------|-------------------------|-----------|--------------|-------|-------|----------------|
| FACIL Investments Corporation | 100A E. Golf Road | | Schaumburg | IL | 60173 | (630) 380-5000 |
| FACIL Investments Corporation | 481 Roosevelt Road | | Glen Ellyn | IL | 60137 | (630) 790-8100 |
| FACIL Investments Corporation | 352 S. Randall Rd | | Elgin | IL | 60123 | (847) 289-8990 |
| Grace Management Enterprises IX, LLC | 1497 South Randall Road | | Algonquin | IL | 60102 | (847) 802-8858 |
| Jeff Hayles & Cara Clemmer | 705 West Camp Street | | East Peoria | IL | 61611 | (309) 694-0639 |
| Jeff Hayles & Cara Clemmer | 8001 N University | Suite 1-D | Peoria | IL | 61615 | (309) 693-0567 |
| Lasa, LLC | 6300 W. Grand Ave | Space B | Gurnee | IL | 60031 | (847) 780-1880 |
| Peru Battery, Inc. | 2088 N. State Route 50 | | Bourbonnais | IL | 60914 | (815) 348-7161 |
| Power Innovations, LLC | 16205-A S Harlem Ave | | Tinley Park | IL | 60477 | (708) 614-5055 |
| Powered Access, LLC | 2824 Plainfield Rd | | Joliet | IL | 60435 | (815) 600-8102 |
| Powered Access, LLC | 1231 West Boughton Road | | Bolingbrook | IL | 60440 | (630) 945-4925 |
| B.P.B. #630 VALPARAISO LLC | 2307 LaPorte Ave | Suite 3 | Valparaiso | IN | 46383 | (219) 531-0300 |
| B.P.B. #632 Schererville, LLC | 713 US Hwy 41 | Suite E | Schererville | IN | 46375 | (219) 464-1800 |
| BPI Enterprises, LLC | 9655 E. U.S. Highway 36 | Suite D | Avon | IN | 46123 | (317) 273-0687 |
| BPI Enterprises, LLC | 2640 Conner Street | | Noblesville | IN | 46060 | (317) 219-0007 |
| BPI Enterprises, LLC | 3633 State Road 38 East | | Lafayette | IN | 47905 | (765) 449-8210 |
| BPI Enterprises, LLC | 2233 South 3rd St | | Terre Haute | IN | 47802 | (812) 234-3804 |
| BPI Enterprises, LLC | 1364 S. Rangeline Road | | Carmel | IN | 46032 | (317) 575-8300 |
| BPI Enterprises, LLC | 7325 Pendleton Pike Rd | | Indianapolis | IN | 46226 | (317) 543-9302 |
| BPI Enterprises, LLC | 300 N Burkhardt Rd | | Evansville | IN | 47715 | (812) 475-0972 |

| Owners | Address 1 | Address 2 | City | State | Zip | Phone Nbr |
|----------------------------------|--------------------------|------------|-------------------------|-------|-------|----------------|
| BPI Enterprises, LLC | 4435 LaFayette Rd | | Indianapolis | IN | 46254 | (317) 293-3555 |
| BPI Enterprises, LLC | 2300 E County Line Rd | | Indianapolis | IN | 46227 | (317) 865-7710 |
| BPI Enterprises, LLC | 525 W Douglas Rd | | Mishawaka | IN | 46545 | (574) 271-2931 |
| BPI Enterprises, LLC | 105 W Washington Ctr Rd | | Ft Wayne | IN | 46825 | (260) 471-2761 |
| CZR, LLC | 1435 North National Road | | Columbus | IN | 47201 | (812) 669-2400 |
| CZR, LLC | 4343 S Franklin St | | Michigan City | IN | 46360 | (219) 879-7394 |
| NST Battery, LLC | 3741 National Rd. E | | Richmond | IN | 47374 | (765) 935-2288 |
| Sudan, LLC | 1305 Veterans Pkwy | | Clarksville | IN | 47129 | (812) 913-0081 |
| K-Rod, Inc. | 15135 W 119th St | | Olathe | KS | 66062 | (913) 390-6601 |
| Power Up, Inc. | 13408 Metcalf Ave | | Overland Park | KS | 66213 | (913) 897-4200 |
| Rx Electric LLC | 11309 East Kellogg | Suite #100 | Wichita | KS | 67207 | (316) 617-4343 |
| Preferred Premium Products, Inc. | 948 N. Mulberry Street | | Elizabethtown | KY | 42701 | (270) 982-5591 |
| Preferred Premium Products, Inc. | 4392 S. Highway 27 | | Somerset | KY | 42501 | (606) 802-2689 |
| Preferred Premium Products, Inc. | 1150 US 31W | | Bowling Green | KY | 42101 | (270) 393-8880 |
| Sudan, LLC | 4600 Shelbyville Road | Suite 404 | Louisville-St. Matthews | KY | 40207 | (502) 749-4111 |
| Sudan, LLC | 4911 Outer Loop | Suite E | Louisville-Okolona | KY | 40219 | (502) 969-1555 |
| Sudan, LLC | 12899 Shelbyville Rd | | Louisville-Middletown | KY | 40243 | (502) 253-0300 |
| VR PwrLum, LLC | 5194 Hinkleville Rd | Suite 105 | Paducah | KY | 42001 | (270) 984-1354 |
| B&M Batteries/Lights, Inc. | 2809 Louisville Avenue | Suite 1 | Monroe | LA | 71201 | (318) 855-8260 |
| Barquero Slidell Corporation | 1503 Gause Blvd | | Slidell | LA | 70458 | (985) 214-9095 |
| Cobblestone Group II LLC | 51 Park Place | Suite A | Covington | LA | 70433 | (985) 809-9300 |
| Cobblestone Group II LLC | 6555 Siegen Lane | Suite 4 | Baton Rouge | LA | 70809 | (225) 615-8324 |
| Power Up Products, LLC | 7230 Youree Dr | Suite 108 | Shreveport | LA | 71105 | (318) 797-0161 |

| Owners | Address 1 | Address 2 | City | State | Zip | Phone Nbr |
|-------------------------------------|-------------------------------------|-----------|------------------|-------|-------|----------------|
| RBM Companies LLC | 224 St. Nazaire Road, Suite 103 | | Broussard | LA | 70518 | (337) 330-2550 |
| RBM Companies LLC | 3500 NE Evangeline Thruway, Suite C | | Carencro | LA | 70520 | (337) 520-2606 |
| Ceilo Up LLC | 74 Main Street | | Framingham | MA | 01702 | (774) 295-1598 |
| JKB Associates Inc | 999 Fall River Avenue | | Seekonk | MA | 02771 | (508) 557-1481 |
| MB & JA, LLC | 405B Broadway | | Saugus | MA | 01906 | (781) 233-7587 |
| Silver Hill Energized Products, LLC | 173A Cambridge Rd | | Woburn | MA | 01801 | (781) 933-9093 |
| Batteries & Bulbs of Baltimore, LLC | 11813 Reisterstown Rd. | | Reisterstown | MD | 21136 | (410) 928-4800 |
| Batteries & Bulbs of Baltimore, LLC | 29 E. Padonia Road | | Timonium | MD | 21093 | (410) 628-7999 |
| M M B Battery Co. | 1045 Rockville Pike | | Rockville | MD | 20852 | (301) 738-0606 |
| MASCHA Holdings, LLC | 915 Washington Blvd | | Laurel | MD | 20707 | (301) 456-0588 |
| Mason Archer Enterprises LLC | 118 West Dares Beach Road | | Prince Frederick | MD | 20678 | (443) 968-2056 |
| MasonArcher Corporation | 44940 St. Andrews Church Road | Unit D | California | MD | 20619 | (301) 737-2306 |
| PJ Investments Services LLC | 3528 Crain Hwy | | Bowie | MD | 20716 | (301) 360-4415 |
| Litlhouse Holdings, Inc. | 1100 Brighton Ave | Suite 10 | Portland | ME | 04102 | (207) 613-9869 |
| BP Investors, LLC | 901 Gezon Parkway SW | | Wyoming | MI | 49509 | (616) 301-0300 |
| BP Investors, LLC | 1980 Mall Place | | Benton Harbor | MI | 49022 | (269) 925-7374 |
| BP Investors, LLC | 5839 Harvey St | | Norton Shores | MI | 49444 | (231) 747-9168 |
| BP Investors, LLC | 41600 Ann Arbor Rd | | Plymouth | MI | 48170 | (734) 254-9815 |
| BP Investors, LLC | 27883 Orchard Lake Rd | | Farmington Hills | MI | 48334 | (248) 737-9140 |
| BP Investors, LLC | 5228 S Westnedge Ave | | Portage | MI | 49002 | (269) 553-2355 |
| BP Investors, LLC | 386 Bay Park Dr | | Holland | MI | 49424 | (616) 396-9914 |
| BP Investors, LLC | 3031 28th Street SE | | Kentwood | MI | 49512 | (616) 575-0500 |
| BP Venture Partners, LLC | 3120 Packard Rd | | Ann Arbor | MI | 48108 | (734) 975-2441 |

| Owners | Address 1 | Address 2 | City | State | Zip | Phone Nbr |
|-------------------------------------|------------------------------|---------------|-----------------|-------|-------|----------------|
| BPWT, Inc. | 1401 N. West Avenue | | Jackson | MI | 49202 | (517) 513-6070 |
| BPWT, Inc. | 706 N Mission St | | Mount Pleasant | MI | 48858 | (989) 779-0800 |
| BPWT, Inc. | 3415 E Saginaw St | Suite I | Lansing | MI | 48912 | (517) 203-0100 |
| BPWT, Inc. | 3575 Alpine Ave NW | | Walker | MI | 49544 | (616) 647-0100 |
| Flint Batteries LLC | 2450 S Center Rd | Suite A | Burton | MI | 48519 | (810) 744-4140 |
| Grant Battery LLC | 15611 S Helmer Rd | | Battle Creek | MI | 49015 | (269) 965-6733 |
| Hat Over Fence, LLC | 43442 West Oaks Dr. | | Novi | MI | 48377 | (248) 671-3699 |
| Lombro Company, LLC | 4041 N Euclid Ave | Suite C | Bay City | MI | 48706 | (989) 667-8722 |
| Lombro Company, LLC | 2930 McCarty Rd | P.O. Box 5323 | Saginaw | MI | 48603 | (989) 497-8288 |
| NineFold Incorporated | 3371 South Airport Road West | | Traverse City | MI | 49684 | (231) 421-9104 |
| Sparky Enterprises, LLC | 31044 Gratiot Avenue | | Roseville | MI | 48066 | (586) 200-2169 |
| Technical Supplies & Services, Inc. | 31075 John R Road | Suite B | Madison Heights | MI | 48071 | (248) 565-8483 |
| Bat 19, Inc. transfer to Wilson2 | 13650 Grove Drive | | Maple Grove | MN | 55311 | (763) 416-9933 |
| Bat 19, Inc. transfer to Wilson2 | 4404 Nathan Lane N | | Plymouth | MN | 55442 | (763) 577-9830 |
| Bat 19, Inc. transfer to Wilson2 | 7808 Lakeland Ave North | | Brooklyn Park | MN | 55445 | (763) 424-5506 |
| Bat 34, Inc. | 4769 Miller Trunk Hwy | | Hermantown | MN | 55811 | (218) 723-1363 |
| BPB, LLC | 1100 West Frontage Road | Suite 150 | Owatonna | MN | 55060 | (507) 414-5404 |
| BPB, LLC | 111 Star Street | | Mankato | MN | 56001 | (507) 344-1500 |
| BPB, LLC | 3750 West River Pkwy NW | | Rochester | MN | 55901 | (507) 282-5767 |
| CMD Properties, Inc. | 1480 Weir Dr | STE 200 | Woodbury | MN | 55125 | (651) 714-4846 |
| CMD Properties, Inc. | 2215 Snelling Avenue N | | Roseville | MN | 55113 | (651) 636-4200 |
| CMD Properties, Inc. | 2832 White Bear Avenue | | Maplewood | MN | 55109 | (651) 770-7451 |
| CMD Properties, Inc. | 8654 Central Ave NE | | Blaine | MN | 55434 | (763) 784-3080 |
| CMD Properties, Inc. | 1268 S. Robert Street | | West St. Paul | MN | 55118 | (651) 450-7756 |

| Owners | Address 1 | Address 2 | City | State | Zip | Phone Nbr |
|--------------------------------------|---------------------------|-----------|------------------|-------|-------|----------------|
| Day Investments, LLC | 952 Prairie Center Drive | | Eden Prairie | MN | 55344 | (952) 259-0000 |
| Day Investments, LLC | 5717 Excelsior Blvd | | St Louis Park | MN | 55416 | (952) 929-6699 |
| Day Investments, LLC | 9840 Lyndale Ave South | | Bloomington | MN | 55420 | (952) 881-0747 |
| Future Plus Batteries, Inc. | 3193 Northdale Blvd. | | Coon Rapids | MN | 55433 | (763) 331-3700 |
| Future Plus Batteries, Inc. | 18180 Zane Street NW | | Elk River | MN | 55330 | (763) 274-2175 |
| G2, LLC | 1348 Town Centre Drive | | Eagan | MN | 55123 | (651) 209-9600 |
| G2, LLC | 15445 Cedar Ave | | Apple Valley | MN | 55124 | (952) 891-2300 |
| K & M Associates, Inc. | 27 N. Benton Drive | Suite 27 | Sauk Rapids | MN | 56379 | (320) 230-2332 |
| K & M Associates, Inc. | 2710 2nd Street South | | Saint Cloud | MN | 56301 | (320) 240-2332 |
| MN Power Solutions, Inc. | 967 Lake Street South | | Forest Lake | MN | 55025 | (651) 272-5656 |
| North Central Battery, Inc. | 923 Washington Street | | Brainerd | MN | 56401 | (218) 824-8888 |
| Even Acclivity, LLC | 2648 N. Kansas Expressway | | Springfield | MO | 65803 | (417) 831-2420 |
| Even Acclivity, LLC | 2216 S. Campbell | | Springfield | MO | 65807 | (417) 823-8060 |
| Namaste Ventures, LLC | 805 E. Nifong Blvd | Suite B | Columbia | MO | 65201 | (573) 443-4660 |
| RJE, Inc. | 8041 Watson Rd | | Webster Groves | MO | 63119 | (314) 962-2237 |
| SnH, Inc. | 1922 Missouri Blvd. | Suite F | Jefferson City | MO | 65109 | (573) 635-5125 |
| SnH, Inc. | 1040 Kingshighway | Suite B | Rolla | MO | 65401 | (573) 426-3353 |
| Tamasi Tech, Inc. | 4493 Forest Park Avenue | | St.Louis | MO | 63108 | (314) 499-9069 |
| Gray Company of Tennessee | 7111 Southcrest Parkway | | Southaven | MS | 38671 | (662) 772-5150 |
| JC Langley, LLC | 381 Ridge Way | | Flowood | MS | 39232 | (601) 500-5500 |
| The Barquero D'Iberville Corporation | 3680 Sangani Blvd | Suite B2 | D'Iberville | MS | 39540 | (228) 273-0996 |
| The Barquero Retail Corporation | 3203 Hardy St. | Suite A | Hattiesburg | MS | 39401 | (601) 255-5209 |
| GTM, LLC | 895 Main St | Suite 6 | Billings Heights | MT | 59105 | (406) 702-1250 |

| Owners | Address 1 | Address 2 | City | State | Zip | Phone Nbr |
|------------------------------------|---------------------------------|------------|----------------|-------|-------|----------------|
| GTM, LLC | 2504 West Main Street, Suite B1 | | Bozeman | MT | 59718 | (406) 994-0044 |
| GTM, LLC | 2100 Stephens Ave | Suite 122 | Missoula | MT | 59801 | (406) 829-8286 |
| GTM, LLC | 1145 Central Ave | | Billings | MT | 59102 | (406) 896-8014 |
| Rocky Mountain Battery, LLC | 215 West Idaho Street | | Kalispell | MT | 59901 | (406) 890-2150 |
| Rocky Mountain Battery, LLC | 2312 10th Ave South | | Great Falls | MT | 59405 | (406) 761-1238 |
| Rocky Mountain Battery, LLC | 3091 N Sanders St | Suite A | Helena | MT | 59602 | (406) 442-6323 |
| AMW Enterprises NC, LLC | 484 River Hwy | Suite D | Mooresville | NC | 28117 | (704) 235-0540 |
| AMW Enterprises NC, LLC | 9939 Lee Street | | Pineville | NC | 28134 | (704) 889-5420 |
| Atufata Investments LLC | 1936 South Horner Boulevard | | Sanford | NC | 27330 | (919) 776-0103 |
| Batteries Inc. of Fayetteville | 4012 Oleander Dr | | Wilmington | NC | 28403 | (910) 228-5970 |
| Batteries Inc. of Fayetteville | 3620 Raleigh Rd Pkwy W | | Wilson | NC | 27896 | (252) 265-9600 |
| Batteries Inc. of Fayetteville | 1416 E Franklin Blvd | | Gastonia | NC | 28054 | (704) 865-3447 |
| Batteries Inc. of Fayetteville | 514 N Berkeley Blvd | | Goldsboro | NC | 27534 | (919) 778-7344 |
| Batteries Inc. of Fayetteville | 4225 Western Blvd | Suite #100 | Jacksonville | NC | 28546 | (910) 938-9400 |
| Batteries Inc. of Fayetteville | 5042 Market St | Suite B | Wilmington | NC | 28405 | (910) 792-1300 |
| Batteries Inc. of Fayetteville | 3610 Sycamore Dairy Rd | | Fayetteville | NC | 28303 | (910) 860-1111 |
| Batteries Upstate, Inc. | 825 Spartanburg Highway | | Hendersonville | NC | 28792 | (828) 383-6595 |
| BP CLT, LLC | 9401 Statesville Road | | Charlotte | NC | 28269 | (704) 274-2556 |
| Carolina Battery Supply, Inc. | 6036 Bayfield Parkway | | Concord | NC | 28027 | (980) 781-4852 |
| Carolina Battery Supply, Inc. | 9934B Rose Commons Dr. | | Huntersville | NC | 28078 | (704) 948-6012 |
| CHS Enterprises of Asheville, Inc. | 61 Weaver Blvd | Suite 115 | Weaverville | NC | 28787 | (828) 237-7300 |

| Owners | Address 1 | Address 2 | City | State | Zip | Phone Nbr |
|------------------------------------|----------------------------|-------------------|-------------------|-------|-------|----------------|
| CHS Enterprises of Asheville, Inc. | 1863 Hendersonville Rd | Suite 131 | Asheville | NC | 28803 | (828) 277-6776 |
| ALK Investments, LLC | 6812 Glenwood Avenue | | Raleigh | NC | 27612 | (984) 233-5353 |
| Triad Battery, LLC | 1040 S Main Street, Unit A | | Kernersville | NC | 27284 | (919) 429-7641 |
| Triad Battery, LLC | 603 Hampton Pointe Blvd | Suite 5 | Hillsborough | NC | 27278 | (919) 296-8250 |
| Triad Battery, LLC | 2605 Alamance Road | | Burlington | NC | 27215 | (336) 395-8747 |
| Triad Battery, LLC | 2100 N Main St | Suite 102 | High Point | NC | 27262 | (336) 307-3808 |
| Triad Battery, LLC | 636-D South Stratford Rd | | Winston-Salem | NC | 27103 | (336) 999-7998 |
| Triad Battery, LLC | 2709 Battleground Ave | | Greensboro | NC | 27408 | (336) 286-7004 |
| Wenger Services, LLC | 4950 Arendell Street | Suite C and D | Morehead City | NC | 28557 | (252) 773-4000 |
| Wenger Services, LLC | 2504 M L King Jr Blvd | | New Bern | NC | 28562 | (252) 288-5777 |
| Wenger Services, LLC | 740 SE Greenville Blvd | Suite 500-A | Greenville | NC | 27858 | (252) 353-8143 |
| Bat 34, Inc. | 2501 S. Columbia Rd. | | Grand Forks | ND | 58201 | (701) 772-0092 |
| Bat 34, Inc. | 2119 13th Avenue South | Unit #1 | Fargo | ND | 58103 | (701) 232-3474 |
| M&J Power & Lights, Inc. | 433 Reiger Drive | Suite 6 | Williston | ND | 58801 | (701) 713-4345 |
| M&J Power & Lights, Inc. | 3306 16th Street, SW | | Minot | ND | 58701 | (701) 838-3366 |
| Dakota Sky, Inc. | 2606 S. 132nd Street | Sherwood Plz #101 | Omaha | NE | 68144 | (402) 933-5588 |
| Dakota Sky, Inc. | 8920 S. 71st Plaza | Suite #101 | Omaha - Papillion | NE | 68133 | (402) 505-5464 |
| Dakota Sky, Inc. | 2201 N. 90th Street | Suite 121 | Omaha | NE | 68134 | (402) 572-1171 |
| M.S.G. Enterprises, Inc. | 2825 S. 70th Street | Suite 200 | Lincoln | NE | 68506 | (402) 423-0244 |
| Gatsby Malcom, LLC | 43 Main Street | | West Lebanon | NH | 03784 | (603) 790-8479 |
| Horizon Group, Inc. | 2001 Woodbury Avenue | Suite #1 | Newington | NH | 03801 | (603) 433-1677 |
| Horizon Group, Inc. | 380 S Broadway | | Salem | NH | 03079 | (603) 685-0293 |
| Horizon Group, Inc. | 317 Amherst St | | Nashua | NH | 03063 | (603) 883-5060 |
| Horizon Group, Inc. | 464 S Willow St | | Manchester | NH | 03103 | (603) 621-0100 |
| Mac Rose Solutions, Inc. | 239 Loudon Rd. | Unit 2 | Concord | NH | 03301 | (603) 333-2915 |

| Owners | Address 1 | Address 2 | City | State | Zip | Phone Nbr |
|-----------------------------------|-------------------------------------|-----------------------|-------------------|-------|-------|----------------|
| Androlewicz Enterprises, LLC | 2121 Route 70 W | | Cherry Hill | NJ | 08002 | (856) 595-4256 |
| BPlus Hamilton, LLC | 950 Route 33 | Century Plaza | Hamilton Township | NJ | 08690 | (609) 277-2221 |
| BPlus Turnersville, LLC | 5501 Route 42 | Suite 11 | Turnersville | NJ | 08012 | (856) 302-0566 |
| Cartagena Group, LLC | 271 US HWY 22 | Suite I | Springfield | NJ | 07081 | (908) 686-2005 |
| Elm Country LLC | 255 Route 35, Suite #4 | | Eatontown | NJ | 07724 | (732) 440-4660 |
| Kards Solutions, Inc. | 1215 Route 73 | | Mt. Laurel | NJ | 08054 | (856) 638-0778 |
| Land of Hope and Dreams, LLC | 513 Route 22 West | | North Plainfield | NJ | 07060 | (908) 279-6497 |
| TBW2, LLC | 900 Tilton Road | Suite #3 | Northfield | NJ | 08225 | (609) 277-7515 |
| Desert Mooring, LLC | 2415 Southern Blvd SE | Suite 104 | Rio Rancho | NM | 87124 | (505) 633-8061 |
| Desert Mooring, LLC | 4000 San Mateo Blvd NE | | Albuquerque | NM | 87110 | (505) 888-1666 |
| EMP Power, LLC | 2240 E. Lohman Ave | Suite 3 | Las Cruces | NM | 88001 | (575) 525-2355 |
| Jeffrey M. Hays | 1609 St Michaels Dr | | Santa Fe | NM | 87505 | (505) 992-1181 |
| Kevin McDonald and Keith McDonald | 1402 Main Street NW | Suite A | Los Lunas | NM | 87031 | (505) 865-1940 |
| BP NEVADA, INC. | 10580 N. McCarran Blvd | Suite 113 | Reno | NV | 89503 | (775) 624-0566 |
| BP NEVADA, INC. | 670 E Prater Way | Suite #102 | Sparks | NV | 89431 | (775) 331-0566 |
| BP NEVADA, INC. | 1400 S Carson St | | Carson City | NV | 89702 | (775) 884-0566 |
| BP NEVADA, INC. | 4898 S Virginia St | | Reno | NV | 89502 | (775) 825-0566 |
| Cobblestone Group II LLC | 7920 W. Tropical Parkway, Suite 120 | | Las Vegas | NV | 89149 | (702) 665-4492 |
| Cobblestone Group II LLC | 2546 E. Craig Rd | Building 4, Suite 115 | North Las Vegas | NV | 89030 | (702) 852-1776 |
| Cobblestone Group II LLC | 1381 W. Sunset Road | Suite 110 | Henderson | NV | 89014 | (702) 852-2015 |
| Cobblestone Group II LLC | 3401 W Sirius Ave | Suite #6 | Las Vegas | NV | 89145 | (702) 822-6940 |
| Cobblestone Group II LLC | 4870 Blue Diamond Rd. | Suite #170 | Las Vegas | NV | 89139 | (702) 221-0257 |
| Cobblestone Group II LLC | 2370 E Serene Ave | #220-3 | Las Vegas | NV | 89123 | (702) 221-9315 |

| Owners | Address 1 | Address 2 | City | State | Zip | Phone Nbr |
|------------------------------------|---------------------------------|------------|------------------|-------|-------|----------------|
| Spring Valley Franchise #1110, LLC | 4145 South Grand Canyon Parkway | Suite #107 | Las Vegas | NV | 89147 | (702) 342-9709 |
| LUCH Power LLC | 396 West John Street | | Hicksville | NY | 11801 | (516) 271-2715 |
| Batteries of Central OH, LLC | 7020 State Route 161 | Suite D | Dublin | OH | 43016 | (614) 705-6401 |
| BP Ventures Ohio, LLC | 3128 Secor Road | | Toledo | OH | 43606 | (419) 724-5888 |
| High Energy Associates III, LLC | 7611 W. Ridgewood Drive | Unit 913 | Parma | OH | 44129 | (440) 481-3246 |
| High Energy Associates, LLC | 3900 Medina Rd | Suite K | Akron - Montrose | OH | 44333 | (330) 670-6161 |
| High Energy Associates, LLC | 746 East Aurora Rd | Suite #12 | Macedonia | OH | 44056 | (330) 467-8100 |
| High Energy Associates, LLC | 6365 Mayfield Rd | | Mayfield Heights | OH | 44124 | (440) 449-5555 |
| NST Battery, LLC | 206 Springboro Pike | | Dayton | OH | 45449 | (937) 938-5177 |
| NST Battery, LLC | 1780 N. Bechtle Ave | | Springfield | OH | 45504 | (937) 398-0044 |
| NST Battery, LLC | 3510 York Commons Blvd | | Dayton | OH | 45414 | (937) 424-2525 |
| NST Battery, LLC | 4496 State Route 725 | Suite #3 | Bellbrook | OH | 45305 | (937) 433-9222 |
| NST2 Battery, LLC | 9810 Colerain Avenue | | Cincinnati | OH | 45251 | (513) 401-9800 |
| NST2 Battery, LLC | 7431 Tylersville Road | | West Chester | OH | 45069 | (513) 456-7778 |
| NST2 Battery, LLC | 7850 Beechmont Ave | | Cincinnati | OH | 45255 | (513) 474-0895 |
| NST2 Battery, LLC | 12131 Royal Point Dr | | Cincinnati | OH | 45249 | (513) 683-6300 |
| Rocky Mountain Battery, LLC | 4652 Belden Village St NW | | Canton | OH | 44718 | (234) 360-3100 |
| Delta Express Inc. | 12140 E 96th St N | Suite #104 | Owasso | OK | 74055 | (918) 516-2200 |
| Donna and Scott Richey | 1751 Garth Brooks Blvd | Suite #109 | Yukon | OK | 73099 | (405) 470-9383 |
| Peak Batteries of Oklahoma, LLC | 2313 W. Kenosha Street | | Broken Arrow | OK | 74012 | (918) 252-7587 |
| Peak Batteries of Oklahoma, LLC | 6554 E. 41st Street | | Tulsa | OK | 74145 | (918) 627-1600 |
| Specific Energy Corp | 200 NE Terry Lane | Unit B | Grants Pass | OR | 97526 | (541) 622-3233 |
| Specific Energy Corp | 3001 NW Stewart Pkwy | Suite 106 | Roseburg | OR | 97471 | (541) 673-7587 |
| Specific Energy Corp | 3599 Crater Lake Hwy | | Medford | OR | 97504 | (541) 858-5103 |

| Owners | Address 1 | Address 2 | City | State | Zip | Phone Nbr |
|--------------------------------|--|---------------------------|-----------------|-------|-------|----------------|
| Batteries of Bucks, LLC | 110 Lincoln Highway | | Fairless Hills | PA | 19030 | (267) 583-3090 |
| BPlus Springfield, LLC | 154 Baltimore Pike | | Springfield | PA | 19064 | (610) 543-1672 |
| DL Myers, Inc. | 96 Sofia Dr. | Suite 103 | Shrewsbury | PA | 17361 | (717) 996-4100 |
| Faroth Corporation | 984 Loucks Rd | | York | PA | 17404 | (717) 718-3547 |
| DL Myers, Inc. | 3023 Columbia Ave | | Lancaster | PA | 17603 | (717) 393-2200 |
| Faroth Corporation | 2501 Gettysburg Rd | | Camp Hill | PA | 17011 | (717) 730-7472 |
| EFNY Corporation | 3467 William Penn Hwy | | Pittsburgh | PA | 15235 | (412) 380-1388 |
| EFNY Corporation | 4808 McKnight Rd | | Pittsburgh | PA | 15237 | (412) 366-3658 |
| EFNY Corporation | 3912 Library Rd | | Pittsburgh | PA | 15234 | (412) 207-8362 |
| Faroth Corporation | 4513 Jonestown Rd | | Harrisburg | PA | 17109 | (717) 540-1945 |
| Formula BP, LLC | 1075 Harrisburg Pike | Suite 107 | Carlisle | PA | 17013 | (717) 906-5432 |
| Kiran Patel | 501 Veterans Hwy | | Bristol | PA | 19007 | (267) 921-1007 |
| Manfredo Barrios | 626 State Avenue | | Emmaus | PA | 18049 | (484) 221-8946 |
| Power Orr Light, LLC | 76 Old Mill Blvd | | Washington | PA | 15301 | (724) 225-7587 |
| Rodney Rekitt Enterprises, LLC | 4225 Peach St. | | Erie | PA | 16509 | (814) 315-6006 |
| Scally Corp | 4511 Edgmont Avenue | Unit B | Brookhaven | PA | 19015 | (610) 860-5375 |
| Thale Enterprises, Inc. | 509 York Rd | | Warminster | PA | 18974 | (215) 672-5200 |
| Thale Enterprises, Inc. | 777 Bethlehem Pike | Suite A | Montgomeryville | PA | 18936 | (215) 749-2199 |
| Unlimited Group Corporation | CARR 3 KM 13.7 BO CANOVANILLAS LOCAL 2 | MARGINAL 65 DE INFANTERIA | Carolina | PR | 00987 | 787985 |
| Unlimited Group Corporation | Ave Jesus T. Piñero 276 University Gardens | | San Juan | PR | 00927 | (939) 716-0004 |
| Unlimited Group Corporation | 335 Carr #2 k.m. 84.7 Carrizales | Suite 5 | Hatillo | PR | 00659 | (787) 820-8044 |
| Unlimited Group Corporation | 2350 Ponce By Pass | Suite 15 | Ponce | PR | 00731 | (787) 812-3295 |

| Owners | Address 1 | Address 2 | City | State | Zip | Phone Nbr |
|----------------------------------|--------------------------------|---------------------------|-----------------------|-------|-------|----------------|
| Unlimited Group Corporation | Bo. Guanajibo carr #2 | KM 159 hm4/Sector La Loma | Mayaguez | PR | 00680 | (787) 986-7878 |
| Unlimited Group Corporation | Ave Luis Munoz Marin AX-9 | | Caguas | PR | 00725 | (787) 743-6898 |
| Unlimited Group Corporation | B 50 Calle Rio Bayamon | Suite 45 | Bayamon | PR | 00961 | (787) 995-6898 |
| Batteries Inc. of Fayetteville | 950 Highway 17 North | Suite C | North Myrtle Beach | SC | 29582 | (843) 663-1777 |
| Batteries Inc. of Fayetteville | 2215 N Cherry Rd | | Rock Hill | SC | 29732 | (803) 328-1110 |
| Batteries Inc. of Fayetteville | 650-A Pamplico Hwy | | Florence | SC | 29505 | (843) 679-2240 |
| Batteries Inc. of Fayetteville | 850 Jason Blvd | Suite A | Myrtle Beach | SC | 29577 | (843) 839-0048 |
| Batteries Upstate, Inc. | 1067 Tiger Blvd | Suite 50 | Clemson | SC | 29631 | (864) 722-5211 |
| Batteries Upstate, Inc. | 531 Bypass 72 NW | | Greenwood | SC | 29646 | (864) 396-5810 |
| Batteries Upstate, Inc. | 3314 North Main Street | Suite B | Anderson | SC | 29621 | (864) 225-1111 |
| MH3 LLC | 1291 Folly Road, Suite 107 | | Charleston | SC | 29412 | (854) 205-5996 |
| PowerSourcePlus LLC | 604 St. James Avenue | Suite F | Goose Creek | SC | 29445 | (843) 471-1671 |
| R&L Voss, LLC | 2645 Whiskey Rd | Suite 111 | Aiken | SC | 29803 | (803) 644-4994 |
| GTM, LLC | 2060 W Main Street | Suite 1 | Rapid City | SD | 57702 | (605) 718-6000 |
| OneSky, Inc. | 3300 S. Shirley Avenue | | Sioux Falls | SD | 57106 | (605) 362-1050 |
| Battery Source, LLC | 3733 Nolensville Pike | | Nashville | TN | 37211 | (615) 331-1551 |
| Bigship Enterprise, Inc. | 1545 Nashville Pike | Suite 104 | Gallatin | TN | 37066 | (615) 461-8065 |
| Gray Company of Tennessee | 6115 Stage Road | | Bartlett | TN | 38134 | (901) 384-1933 |
| Gray Company of Tennessee | 766 Mt. Moriah | | Memphis | TN | 38117 | (901) 821-0977 |
| Gray Company of Tennessee | 100 Vann Drive | Suite K | Jackson | TN | 38305 | (731) 660-0600 |
| Preferred Premium Products, Inc. | 2512 A Wilma Rudolph Blvd | | Clarksville | TN | 37040 | (931) 647-5200 |
| Roskowski Group LLC | 207 Forks of the River Parkway | | Sevierville | TN | 37862 | (865) 365-4213 |
| Stay Charged Enterprises, Inc. | 535 N Thompson Lane | | Murfreesboro | TN | 37129 | (615) 895-4446 |
| Williams Batteries, LLC | 6667 Clinton Highway | | Knoxville-Clinton Hwy | TN | 37912 | (865) 276-6006 |

| Owners | Address 1 | Address 2 | City | State | Zip | Phone Nbr |
|--------------------------|-------------------------------|-------------|-----------------------|-------|-------|----------------|
| Williams Batteries, LLC | 560 S. Jefferson Avenue | Suite #12 | Cookeville | TN | 38501 | (931) 452-9095 |
| Williams Batteries, LLC | 615 Paul Huff Parkway | Suite 101 | Cleveland | TN | 37312 | (423) 790-7761 |
| Williams Batteries, LLC | 220 Hamilton Crossing Dr | | Alcoa | TN | 37701 | (865) 983-1901 |
| Williams Batteries, LLC | 1925 Gunbarrel Rd | Suite A-101 | Chattanooga | TN | 37421 | (423) 499-1199 |
| Williams Batteries, LLC | 222 N Peters Rd | | Knoxville-Cedar Bluff | TN | 37923 | (865) 692-0002 |
| Williams Batteries, LLC | 5550 Hwy 153 | Suite #101 | Hixson | TN | 37343 | (423) 874-1050 |
| A&A Exchange, LLC | 1220 N Town East Blvd | Suite 200 | Mesquite | TX | 75150 | (972) 270-8000 |
| Anurag Trading Company | 2160 N. Coit Rd. | Suite 148 | Richardson | TX | 75080 | (469) 730-2623 |
| B. Garth Co. | 2529 S. Main Street | Suite 104 | Weatherford | TX | 76087 | (817) 599-8700 |
| B. Garth Co. | 1130 North Fielder Road | | Arlington | TX | 76012 | (817) 274-1400 |
| B. Garth Co. | 5733 South Hulen St | | Fort Worth | TX | 76132 | (817) 744-7636 |
| B. Garth Co. | 5825 Camp Bowie Blvd | | Fort Worth | TX | 76107 | (817) 377-2288 |
| BP Retail TX | 4568 Hwy 121 | Suite 104 | Plano | TX | 75024 | (972) 335-0900 |
| BP Retail TX | 9100 N. Central Expressway | Suite 107 | Dallas | TX | 75231 | (214) 234-0234 |
| BP Retail TX | 1725 North Central Expressway | Suite 101 | Plano | TX | 75075 | (972) 423-6100 |
| BP Retail TX | 4151 Belt Line Rd | Ste #102 | Addison | TX | 75001 | (972) 716-4144 |
| Cobblestone Group II LLC | 4940 W. University Drive | Suite 80 | Prosper | TX | 75078 | (469) 481-6870 |
| Cobblestone Group II LLC | 1732 S Loop 288, Suite 120 | | Denton | TX | 76205 | (940) 293-8890 |
| Cobblestone Group II LLC | 1093 W. Main St | Suite #222 | Lewisville | TX | 75067 | (940) 600-5533 |
| Cobblestone Texas, LLC | 9477 FM 1960 Bypass Rd West | Suite 200 | Humble | TX | 77338 | (832) 482-2960 |
| Cobblestone Texas, LLC | 13730 Alice Road | Suite A | Tomball | TX | 77377 | (832) 482-2944 |
| Cobblestone Texas, LLC | 1609 Spring Cypress | Suite H | Spring | TX | 77388 | (832) 482-2926 |
| Cobblestone Texas, LLC | 4105 Dowlen Road | Unit J | Beaumont | TX | 77706 | (832) 482-2959 |
| Dannelly Group, LLC | 1980 N Central Expressway | Suite 200 | McKinney | TX | 75070 | (972) 548-7740 |
| Dannelly Group, LLC | 4054 N US Hwy 75 | | Sherman | TX | 75090 | (903) 893-8881 |

| Owners | Address 1 | Address 2 | City | State | Zip | Phone Nbr |
|------------------------------|---------------------------------|-----------------|-----------------|-------|-------|----------------|
| FordFam Enterprises, LLC | 2200 N. Frazier St. | Suite 110 | Conroe | TX | 77303 | (936) 788-2852 |
| G & S Batteries, LLC | 11930 Barker Cypress Rd | Suite 400 | Cypress | TX | 77433 | (281) 612-9919 |
| GlacierBeach, 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 |
| GlacierBeach, LLC | 3809 South General Bruce Drive | Suite 107 | Temple | TX | 76502 | (254) 773-4555 |
| GlacierBeach, LLC | 4300 W Waco Dr | Bldg A, Suite 3 | Waco | TX | 76710 | (254) 776-6767 |
| Gorman Batteries, LLC | 6800 Gateway East | Suite 1C | El Paso | TX | 79915 | (915) 881-0744 |
| Kingdom Alliance, LLC | 631 N. Harvey Mitchell Parkway | #141 | Bryan | TX | 77807 | (979) 485-2888 |
| Kingdom Alliance, LLC | 4002 FM 762 | Suite #500 | Rosenberg | TX | 77469 | (832) 595-8174 |
| Kingdom Alliance, LLC | 403 W Grand Parkway South | Suite E | Katy | TX | 77494 | (281) 693-7587 |
| Kingdom Alliance, LLC | 2001 Texas Avenue S | Suite 600 | College Station | TX | 77840 | (979) 696-7587 |
| Luckett Legacy Foundation | 1800 Market Place Blvd. | Suite 170 | Irving | TX | 75063 | (469) 599-1402 |
| Malquart Enterprises, LLC | 1205 E. Debbie Lane | Suite 113 | Mansfield | TX | 76063 | (817) 225-4100 |
| MOLO Enterprise Holdings LLC | 2751 North Highway 77 | Suite 140 | Waxahachie | TX | 75165 | (469) 383-5868 |
| Patel Associates, Inc. | 2541 South IH-35 | Suite 600 | Round Rock | TX | 78664 | (512) 600-7800 |
| Patel Associates, Inc. | 2300 S. Lamar | Suite #103 | Austin | TX | 78704 | (512) 416-1191 |
| Patel Associates, Inc. | 7915 Burnet Rd | | Austin | TX | 78757 | (512) 419-7587 |
| Power Light Fix, LLC | 1917 Pat Booker Road | Suite 105 | Universal City | TX | 78148 | (210) 403-0902 |
| Power Light Fix, LLC | 1242 Austin Highway | Suite 104 | San Antonio | TX | 78209 | (210) 598-0003 |
| Power Light Fix, LLC | 11019 Culebra | Suite 103 | San Antonio | TX | 78254 | (210) 688-6500 |
| Power Light Fix, LLC | 2815 N. Loop 1604 E | Suite 110 | San Antonio | TX | 78232 | (210) 496-0103 |
| Power Light Fix, LLC | 2367 N.W. Military Hwy | | San Antonio | TX | 78231 | (210) 308-0103 |
| Power Light Fix, LLC | 6891-3 Bandera Rd | | San Antonio | TX | 78238 | (210) 647-0103 |
| Quintik, Inc. | 3301 I-40 West | | Amarillo | TX | 79109 | (806) 322-3666 |

| Owners | Address 1 | Address 2 | City | State | Zip | Phone Nbr |
|--------------------------|-----------------------------------|-----------|---------------------------|-------|-------|----------------|
| Quintik, Inc. | 5073 S Coulter St | Suite 1 | Amarillo | TX | 79119 | (806) 358-7667 |
| RLM Battery Corporation | 9001 Brodie Lane, Suite B2 | | Austin | TX | 78748 | (512) 292-1444 |
| RVA Industries, Inc. | 445 SW Wilshire Blvd. | Suite B | Burleson | TX | 76028 | (817) 447-5500 |
| Shamra, Inc. | 2901 West FM 544 | Suite 100 | Wylie | TX | 75098 | (469) 209-4650 |
| Staples Family Inc. | 3121 N. President George Bush Hwy | Suite 111 | Garland | TX | 75040 | (214) 382-9838 |
| Staples Family Inc. | 2014 S Goliad Street | #150 | Rockwall | TX | 75087 | (972) 771-7311 |
| Swart Care 826, LLC | 5636 North Tarrant Pkwy | Suite 106 | Fort Worth | TX | 76244 | (817) 656-4471 |
| Swart Care 826, LLC | 6076 Azle Avenue | Suite 300 | Lake Worth | TX | 76135 | (817) 585-1391 |
| The Redeemed Team, LLC | 420 E. Pleasant Run Road | Suite 346 | Cedar Hill | TX | 75104 | (469) 272-4533 |
| Twin Ventures, Inc. | 3430 S. Cooper St | | Arlington | TX | 76015 | (817) 467-0613 |
| USS BB-58 LLC | 21383 Valley Ranch Boulevard | Suite 450 | New Caney | TX | 77357 | (281) 577-4400 |
| USS BB-58 LLC | 19970 Eva Street | Suite 102 | Montgomery | TX | 77356 | (936) 597-4040 |
| ZPA Corporation | 13740 East Freeway | Suite C | Houston | TX | 77015 | (346) 980-5959 |
| ZPA Corporation | 4774 Beechnut St | | Houston | TX | 77096 | (346) 618-1214 |
| Andi Enterprises, Inc. | 6818 S. Redwood Rd | | West Jordan | UT | 84084 | (801) 566-5525 |
| Andi Enterprises, Inc. | 293 East 3300 South | | Salt Lake City | UT | 84115 | (801) 461-4988 |
| Cobblestone Group II LLC | 12575 Rhetski Ln | #102 | Riverton - Salt Lake City | UT | 84065 | (801) 878-4329 |
| Cobblestone Group II LLC | 770 East Main Street | | Lehi | UT | 84043 | (801) 341-8725 |
| Cobblestone Group II LLC | 1055 W Red Cliffs Dr | Suite E | Washington | UT | 84780 | (435) 599-7200 |
| Cobblestone Group II LLC | 217-J E 12300 S | | Draper | UT | 84020 | (801) 816-9090 |
| Cobblestone Group II LLC | 388 W University Pkwy | | Orem | UT | 84058 | (385) 343-4691 |
| Cobblestone Group II LLC | 852 W Hill Field Rd | Suite B | Layton | UT | 84041 | (801) 544-3476 |
| Battery Life, LLC | 3915 Centreville Rd | Suite A | Chantilly | VA | 20151 | (703) 817-1062 |
| Battery Life, LLC | 10689 Sudley Manor Dr | Suite 101 | Manassas | VA | 20109 | (703) 330-7007 |

| Owners | Address 1 | Address 2 | City | State | Zip | Phone Nbr |
|--------------------------------------|------------------------------|-----------|-----------------------|-------|-------|----------------|
| Battery Life, LLC | 408 E. Glebe Road | | Alexandria | VA | 22305 | (703) 575-7711 |
| Chesterfield Consulting Limited, LLC | 44110 Ashburn Shopping Plaza | Unit #192 | Ashburn | VA | 20147 | (571) 291-2916 |
| GEN Aspire LLC | 222 West 21st Street | | Norfolk | VA | 23517 | (757) 227-5333 |
| GEN Aspire LLC | 6255 College Drive | Suite A-0 | Suffolk | VA | 23435 | (757) 483-1106 |
| GEN Aspire LLC | 1020 Battlefield Blvd North | | Chesapeake | VA | 23320 | (757) 548-5800 |
| GEN Aspire LLC | 4336 Virginia Beach Blvd | Suite C | Virginia Beach | VA | 23452 | (757) 431-1855 |
| Livewire Battery Supply, Inc. | 4655 Monticello Avenue | Suite 101 | Williamsburg | VA | 23188 | (757) 345-6967 |
| Livewire Battery Supply, Inc. | 3412 W. Mercury Blvd. | | Hampton | VA | 23666 | (757) 864-0315 |
| Livewire Battery Supply, Inc. | 663 Turnberry Blvd | Suite G | Newport News | VA | 23602 | (757) 874-7090 |
| M M B Battery Co. | 13580 Minnieville Rd | | Woodbridge | VA | 22192 | (703) 494-8400 |
| M M B Battery Co. | 1918 William St | | Fredericksburg | VA | 22401 | (540) 371-5500 |
| Riaz Razak | 13920 Hull Street | | Midlothian | VA | 23112 | (804) 534-4044 |
| Springfield Batteries Supply, Inc. | 6715 Backlick Rd. | Suite E | Springfield | VA | 22150 | (571) 529-5330 |
| R and B Girard Investments LLC | 6220 Route 5 | Suite 4 | Ascutney | VT | 05030 | (802) 557-0831 |
| All Purpose Batteries, Inc. | 31830 Pacific Hwy South | | Federal Way | WA | 98003 | (253) 666-9555 |
| All Purpose Batteries, Inc. | 14917 NE 20th Street | | Bellevue | WA | 98007 | (425) 562-5000 |
| All Purpose Batteries, Inc. | 17065 Southcenter Pkwy | | Southcenter - Tukwila | WA | 98188 | (206) 575-7539 |
| All Purpose Batteries, Inc. | 10210 123rd Street Ct. E | Suite A | Puyallup | WA | 98374 | (253) 770-3313 |
| All Purpose Batteries, Inc. | 4051 Tacoma Mall Blvd | | Tacoma | WA | 98409 | (253) 476-2666 |
| All Purpose Batteries, Inc. | 2905 Capital Mall Dr. SW | | Olympia | WA | 98502 | (360) 570-0000 |
| AMBRO, Inc. | 1731 South 1st Street | | Yakima | WA | 98901 | (509) 571-1322 |
| AMBRO, Inc. | 632 S. 9th Avenue | | Walla Walla | WA | 99362 | (509) 529-7001 |
| AMBRO, Inc. | 321 N. Columbia Center Blvd | Suite C | Kennewick | WA | 99336 | (509) 783-3400 |

| Owners | Address 1 | Address 2 | City | State | Zip | Phone Nbr |
|---------------------------|-------------------------|------------|---------------|-------|-------|----------------|
| AMBRO, Inc. | 11101 E Sprague Ave | | Spokane | WA | 99206 | (509) 924-6645 |
| AMBRO, Inc. | 7704 N Division | Suite 3 | Spokane | WA | 99208 | (509) 489-4226 |
| BPB, LLC | 3115 E Hamilton Ave | | Eau Claire | WI | 54701 | (715) 552-1939 |
| Empty Bee LLC | 5626 South 108th Street | | Hales Corners | WI | 53130 | (414) 235-5090 |
| Hudson B+923 LLC | 101 Carmichael Road | | Hudson | WI | 54016 | (715) 808-8424 |
| Stoman LLC | 1066 Milwaukee Avenue | | Burlington | WI | 53105 | (262) 758-6157 |
| JW Batteries, LLC | 314 Goff Mountain Rd | Suite #8 | Cross Lanes | WV | 25313 | (304) 776-7006 |
| Led Lithium, LLC | 4801 E. 2nd Street | Suite 105 | Casper | WY | 82609 | (307) 333-4420 |
| Phaeton Investments, Inc. | 5116 Frontier Mall Dr | Suite #200 | Cheyenne | WY | 82009 | (307) 638-9903 |

FRANCHISE AGREEMENTS SIGNED BUT STORE NOT OPEN AS OF DECEMBER 31, 2024

| Franchisee | City & State | Phone # | Market |
|--|-------------------------|----------------|------------------------|
| Shari Bailey | Cincinnati Central, OH | TBD | Cincinnati Central, OH |
| Arizona Tech Group LLC | Norterra, AZ | TBD | Norterra, AZ |
| Irish Plus, LLC | Alpharetta, GA | TBD | Alpharetta, GA |
| Power Fortune, Inc | Watertown, MA | 617-618-3608 | Watertown, MA |
| Ebai Edjua | Columbus, GA | TBD | Columbus, GA |
| Kiran Patel | Burlington, PA | TBD | Burlington, PA |
| Lakisha Brighton, Kurt Kiefer & Susanne Walsh | Brighton, MI | 810-772-7588 | Brighton, MI |
| BP Retail Partners, Inc | Plano-West, TX | 563-249-9870 | Plano-West, TX |
| Mahdy Salmassi | Detroit, MI | TBD | Detroit - Downtown, MI |
| Tollefson & Associates, Inc. | Rancho Cordova, CA | TBD | Rancho Cordova, CA |
| Edith Lanene Trammell & Jason Lee Trammell | Sherwood, AR | TBD | Sherwood, AR |
| Lee Tufte | Blairsville, GA | 706-745-1223 | Blairsville, GA |
| Peak Batteries of Oklahoma, LLC | South Tulsa, OK | TBD | South Tulsa, OK |

**LIST OF FORMER FRANCHISEES
as of December 31, 2024**

TRANSFERRED FRANCHISE TO NEW FRANCHISEE

| Former Franchisee | City | State | Telephone Number |
|---------------------------------------|---------------|--------------|-------------------------|
| Crusaders Investments, Inc. | Chandler | AZ | (480) 730-1103 |
| Crusaders Investments, Inc. | Phoenix | AZ | (602) 787-8808 |
| Crusaders Investments, Inc. | Phoenix | AZ | (602) 841-3900 |
| Crusaders Investments, Inc. | Tempe | AZ | (480) 820-0703 |
| Crusaders Investments, Inc. | Messa | AZ | (480) 654-3870 |
| Crusaders Investments, Inc. | Phoenix | AZ | (602) 840-4034 |
| Crusaders Investments, Inc. | Scottsdale | AZ | (480) 998-5004 |
| Crusaders Investments, Inc. | Glendale | AZ | (623) 979-0532 |
| Crusaders Investments, Inc. | Gilbert | AZ | (480) 632-1909 |
| Crusaders Investments, Inc. | Surprise | AZ | (623) 226-7075 |
| Crusaders Investments, Inc. | Avondale | AZ | (602) 865-0395 |
| Batteries, Batteries, Batteries, Inc. | Allentown | PA | (484) 221-8946 |
| Reliable Power Group, Inc. | Pace | FL | (850) 889-4045 |
| Northern Indiana Battery's, Inc. | Michigan City | IN | (219) 879-7394 |
| ETV Battery, Light and Repair, LLC | Erie | PA | (814) 315-6006 |
| Future Plus of Florida, Inc. | Orlando | FL | (407) 392-0899 |
| Merrittco, L.L.C. | Fort Worth | TX | (817) 656-4471 |
| Merrittco, L.L.C. | Lake Worth | TX | (817) 585-1391 |
| Zeus Partners, LLC | Mesquite | TX | (972) 270-8000 |
| Dene & Paula Lambkin | Peoria | AZ | (623) 562-3444 |
| Lawson Properties, Inc. | Tucson | AZ | (520) 747-8228 |
| Ina Cam Properties, Inc | Tucson | AZ | (520) 744-8788 |
| First Avenue Investment Inc. | Tucson | AZ | (520) 888-3388 |
| B Plus B4 Tucson Spectrum, L.L.C. | Tucson | AZ | (520) 889-9978 |
| BAM Adventures, Inc. | Miami Lakes | FL | (305) 626-8700 |

REACQUIRED BY THE FRANCHISOR (PURCHASED)

| Former Franchisee | City | State | Telephone Number |
|--------------------------|-------------|--------------|-------------------------|
| Jump Start, Inc. | Longwood | Florida | (608) 782-7340 |
| | Orlando | Florida | (715) 732-5000 |
| | Mount Dora | Florida | (715) 295-0388 |
| | Ocoee | Florida | (715) 355-9201 |
| The Battery Source, Inc. | Salem | Oregon | (503) 581-4890 |
| | Eugene | Oregon | (541) 349-5030 |
| | Beaverton | Oregon | (503) 646-8892 |
| | Portland | Oregon | (503) 771-1377 |
| | Portland | Oregon | (503) 546-4962 |
| | Vancouver | Washington | (360) 213-0926 |
| | Tualatin | Oregon | (503) 783-3252 |
| | Gresham | Oregon | (503) 328-0009 |
| | Vancouver | Washington | (360) 448-6003 |
| | Oregon City | Oregon | (503) 632-4137 |
| | Hillsboro | Oregon | (503) 601-0230 |
| | Corvallis | Oregon | (541) 452-8596 |
| | Bend | Oregon | (541) 241-1130 |

TERMINATED OR CEASED OPERATION

| Former Franchise | City | State | Telephone Number |
|--------------------------------|----------------|--------------|-------------------------|
| Cobblestone Texas, LLC | Conroe | TX | (832) 482-2971 |
| Cobblestone Texas, LLC | Houston | TX | (832) 482-2974 |
| Goodman Family Legacy LLC | Chicago | IL | (773) 661-1739 |
| S & B Enterprises LLC | Aurora | CO | (720) 679-6494 |
| R. Fieldhouse, Inc. | Beloit | WI | (608) 466-2097 |
| Moe's Handling LLC | Bessemer | AL | (205) 434-4542 |
| R and B Girard Investments LLC | Keene | NH | (603) 519-3357 |
| KM Power Enterprises LLC | El Cajon | CA | (619) 334-0422 |
| Power Cells & More LLC | Spring Hill | TN | (615) 637-6337 |
| MH5500 L.L.C. | Carlsbad | NM | (575) 725-5717 |
| Batteries of Bowie, Inc. | Upper Marlboro | MD | (301) 218-1630 |
| Osmond Industries, LLC | Iverness | FL | (352) 329-2914 |
| JJ&M, Inc. | Durham | NC | (919) 864-9303 |
| Second Ship Enterprise, LLC | Hendersonville | TN | (615) 590-8988 |
| BK Batteries, LLC | Tupelo | MS | (662) 205-4388 |

TERMINATED FRANCHISE AGREEMENT (STORE NEVER OPENED)

| Former Franchise | City | State | Telephone Number |
|------------------|------|-------|------------------|
| None | | | |

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, 14th 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.

6. Exhibit G. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on

behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

HAWAII ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§482E-1 – 482E-12 applies, the terms of this Addendum apply.

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

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.”

2. Exhibit G. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**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. Acknowledgments. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
4. 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. Acknowledgments. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
4. 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.

2. Exhibit G.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**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. Acknowledgments. Section 20 of the Agreement is deleted. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
3. 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. Acknowledgments. Section 22 of the Franchise Agreement is deleted in its entirety. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

4. 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, subds. 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.

3. Exhibit G. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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. Acknowledgments. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

5. 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, subds. 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. Acknowledgments. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. 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

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

1. The following information is added to the cover page of the Franchise Disclosure Document.

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT E OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 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, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party 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, antitrust, trade regulation, or trade practice 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 association 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 affecting a license as a real estate broker or sales agent.

Item 5, Additional Disclosures.

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for a franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “Termination by franchisee”:

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of forum,” and Item 17(w), titled “Choice of law”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

**NEW YORK ADDENDUM TO
FRANCHISE AGREEMENT**

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Section 680 - 695 may not be enforceable.

Any provision in the Franchise Agreement requiring franchisee to sign a general release of claims against franchisor does not release any claim franchisee may have under New York General Business Law, Article 33, Sections 680-695.

The New York Franchise Law shall govern any claim arising under that law.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

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.

2. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**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").

Please do not sign if franchisee is a Maryland resident, or if the franchised business will be located within the State of Maryland.

Applicants' Acknowledgment:

Name: _____
Date: _____

Name: _____
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 | March 28, 2025 |
| Hawaii | Pending |
| Illinois | March 28, 2025 |
| Indiana | March 28, 2025 |
| Maryland | March 31, 2025 |
| Michigan | September 10, 2025 |
| Minnesota | Pending |
| New York | March 28, 2025 |
| North Dakota | March 28, 2025 |
| Rhode Island | April 1, 2025 |
| South Dakota | March 28, 2025 |
| Virginia | May 1, 2025 |
| Washington | April 11, 2025 |
| 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, 2025, as amended October 10, 2025.

Our franchise seller involved in offering and selling the franchise to you is Joe Malmuth, Brandon Mangual, Victor Daher, Jacob Ewing, 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, 2025, as amended October 10, 2025, 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.

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| (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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