

ACE® Color of the Year Contest OFFICIAL RULES

NO PURCHASE NECESSARY to enter or win. A purchase will not improve your chances of winning.

1. Overview. The overall Ace® Color of the Year Contest (the “Contest”) consists of (a) local contests that are held at participating Ace retail locations and are sponsored by those Ace retailers* (each a “Local Ace Color of the Year Contest” or collectively the “Local Contests”); (b) an online paint contest sponsored by Ace Hardware Corporation (the “Ace Online Color of the Year Contest”) which is held online at <http://www.thepaintstudio.com/coloroftheyear> (the “Online Entry Site”), which can be accessed via a link found at either www.AceHardware.com or www.thepaintstudio.com; and (c) the final Ace national color of the year paint contest, sponsored by Ace Hardware Corporation, that will evaluate the local winners submitted by each of the Local Ace Color of the Year Contests and the winner of the Ace Online Color of the Year Contest to determine the final Ace Color of the Year and Six Runners Up Colors of the Year (the “Ace National Color of the Year Contest”). In each of the contests, winners are determined based on both the paint color and the paint name created and submitted (following the specific criteria detailed later in these Official Rules).

*Please be aware that each Local Ace Color of the Year Contest is sponsored by the particular Ace retailer where the particular contest takes place. That participating store will have its own local winner. That particular Ace retailer is responsible for implementing the Local Ace Color of the Year Contest in the store, supplying the materials, administering the contest, conducting the judging (or overseeing the judging, if the retailer elects to have customers do the judging)**, announcing the winner, awarding the prize, and submitting the winning entry from that local retailer to Ace Hardware Corporation for consideration in the Ace National Color of the Year Contest. Ace Hardware Corporation is not responsible for any submissions from local Ace retailers that are lost, late, incomplete, misdirected, postage due or otherwise not in compliance with the rules. Any questions regarding a Local Ace Color of the Year Contest should be brought to the attention of the store manager at the particular local Ace store where you entered.

**The type of judging for each Local Contest being run at each participating Ace retailer will be posted in the local Ace store.

Although Ace Hardware Corporation and individual Ace retailers are separate entities, there are times at which their rights and obligations are the same in these Official Rules, and at those times they may be referred to collectively as “ACE.”

2. Eligibility. To enter any portion of the Contest, you must be a legal resident of one of the 50 United States or District of Columbia, and 21 years of age or older at time of entry (“Eligible Entrants”). Employees, officers and directors of ACE; the paint manufacturers of any paints used in the Contest, any advertising and promotion agencies involved in the creating/marketing of the Contest, or any other entities involved in the production, administration, execution or fulfillment of this Contest, as well as any immediate family members (defined as parents, spouses, siblings and children; whether biological, adoptive, step or in-law) or household members (whether related or not) of any such individuals are not eligible. Void outside the United States and where prohibited by law. You may enter both one Local Ace Color of the Year Contest and the Online Paint Contest one time, but (a) you may not enter more than one Local Ace Color of the Year Contest (i.e., you may not enter Local Contests at different locations), and you may only enter such Local Ace Color

of the Year Contest one time, and (b) you may only enter the Online Paint Contest one time per person and per email address. If ACE determines that you have entered into more than one Local Contest (i.e., at the same Ace retailer or by entering at more than one Ace retailer), or that you have entered the Online Paint Contest more than one time (including by using multiple email accounts), all entries from you or associated with any of your email addresses may be disqualified in ACE'S discretion.

3. Entry Dates.

- a. Local Contests. Each Local Ace Color of the Year Contest will begin at 11:00 a.m. and end at 2:00 p.m. (local time) on March 24, 2018 ("Local Contest Entry Period"), with judging taking place March 26, 2018 – April 1, 2018 ("Local Contest Judging Period").
- b. Ace Online Color of the Year Contest. The Ace Online Color of the Year Contest will begin at 12:00:01 a.m. Central Time (CT) on March 21, 2018, and will end at 11:59:59 p.m. CT on March 26, 2018 ("Online Contest Entry Period"), with judging taking place March 26, 2018 – April 1, 2018 ("Online Contest Judging Period").

4. How to Enter.

- a. Local Contests. During the Local Contest Entry Period, participating Ace retailers will have an area set up in-store with nine pre-selected Clark & Kensington paint colors ("Base Paint Colors"). As time and space permits during the Local Contest Entry Period, up to 100 Eligible Entrants will be able to mix their choice of two or more of the Base Paint Colors to create their own unique paint color (their "Paint Color"). To enter the Local Contest at that store, the Eligible Entrant must complete an official in-store entry form ("Entry Form") by smoothly painting their Paint Color to completely fill the paint space provided on an Entry Form, and legibly hand printing the other required information on the Entry Form which includes the Eligible Entrant's full name, date of birth, street address, phone number, email address, and an original name for their Paint Color (the "Paint Name"). The completed Entry Form, including the Paint Color and Paint Name, shall be referred to as a "In-Store Entry." Local Entries must be completed and deposited in store where directed by the local Ace retailer by 2:00 p.m. (local time) on March 24, 2018. Local Entries will be held by the local Ace retailer until March 26, 2018 to ensure proper paint drying, at which time they will be ready for judging. The local Ace retailer may limit the total amount of paint that any Eligible Entrant may use to four ounces, and the amount of time that any individual may spend in the Contest entry area of the store to ten minutes.
- b. Ace Online Color of the Year Contest. During the Online Contest Entry Period, Eligible Entrants may visit the Online Entry Site and click on the Contest icon where they will read directions on how to pick and mix available online paint colors to create their own unique online paint color (the "Online Paint Color"). Once the Eligible Entrant is satisfied with his/her Online Paint Color and completes the required information on the official online entry form (also an "Entry Form") which includes providing the Eligible Entrant's full name, date of birth, street address, phone number, email address, and an original name for their Online Paint Color (also a "Paint Name"), the Eligible Entrant may submit the entry. The completed official online entry form, including the Online Paint Color and Paint Name, shall be referred to as an "Online Entry." Online Entries must be completed, transmitted and received by Ace Hardware Corporation by 11:59 p.m. CT on March 26, 2018. Limit one Online Entry per person and per email address per day (12:00 a.m. to 11:59 p.m. central time) during the Online Contest Entry Period. Each Online Entry must feature a unique

Online Paint Color and a unique Paint Name from all prior Online Entries received from that entrant, or the duplicate entry (whether duplicate in whole or in part) will be disqualified.

Local Entries and Online Entries may hereafter be referred to collectively as "Entries."

5. Entry Requirements. In order for Entries be eligible for consideration they must meet the following requirements:

- a. All required fields on the official Entry Form must be completed.
- b. In Store Entries must be completed during store visit using only materials/equipment provided by the local Ace store. Entrants may not leave store with any entry materials, nor may they submit an Entry with any materials obtained from outside the store.
- c. Paint Colors for In Store Entries must be opaque.
- d. Paint Colors for In Store Entries must be painted smoothly onto Entry Form.
- e. Paint Colors for In Store Entries must fill the entire sample space given on the Entry Form.
- f. Paint Names as well as all information on Entry Form must be English.
- g. Paint Names must be no more than seven (7) words.
- h. Paint Names must not contain any third party copyrighted or proprietary material (including but not limited to corporate names, trademarks, slogans, lyrics or literary works of any person other than the entrant), or otherwise infringe on the intellectual property or other rights of a third party.
- i. Paint Names must not contain the identification of any individuals, living or dead (for instance the name of a celebrity).
- j. Paint Names must be the entrant's own original and individual creation, and must not have been previously entered into any other contest or competition, or have won any other awards.
- k. Paint Names must not depict ACE negatively and must be in keeping with ACE'S desired image.
- l. Paint Names must not mention any products that are competitive to or incompatible with ACE'S products, and must not contain any commercial, political, religious or other third party advertising or messaging.
- m. Paint Names must be suitable for general audiences and must not contain any of the following content: (i) defamatory words or statements, including words or symbols that are considered offensive to individuals of a certain race, ethnicity, gender, religion, sexual orientation or socioeconomic group; (ii) any lewd or sexually explicit or suggestive content; (iii) any content that promotes use of alcohol, tobacco, firearms/weapons, or any violent, unsafe or dangerous behavior, activities or situations; (iv) threats to any person, place, business or group; (v) profanity or obscenity; (vi) anything that would disparage or offend persons or organizations associated with ACE; (vii) anything which incites, encourages or depicts dangerous conduct, stunts or tricks, or behavior or acts that are unsafe, wrongful or immoral; or (viii) anything that violates federal, state or local laws and regulation.

ACE reserves the right in its sole discretion, and at any time during the Contest, to disqualify any Entry that, in its sole opinion, does not comply with these requirements or these Official Rules.

6. Judging.

- a. Local Contests. For participating Ace retailers who conduct a Local Ace Color of the Year Contest, the retailer will post in store whether their contest will be judged a panel

of store associates ("Store Judged Local Contest") or by customers ("Customer Judged Local Contest").

- i. Store Judged Local Contests. For Store Judged Local Contests, on or before April 1, 2018, a panel of store associates will evaluate all eligible Entries received at that Ace retailer based on the following criteria (each criteria to be given the weight stated in parentheses): (i) marketability of the Paint Color (45%), and (ii) creativity and appropriateness of the Paint Name (55%). In the event of a tie, the tie will be broken based on the tied entry with the higher ranking in the creativity/appropriateness of the Paint Name category. The winning In-Store Entry from each Store Judged Local Paint Contest will be named a Local Ace Color of the Year Contest Winner, and will win a Local Prize (as described in Rule 8, below, and be entered in the National Ace Color of the Year Contest.
- ii. Customer Judged Local Contests. For Customer Judged Local Contests, beginning approximately March 26, 2018 and ending April 1, 2018, all eligible Entries received at that Ace retailer will be posted in that local Ace store for customers to judge. Customers should cast one vote for the Entry that they believe represents the Paint Color/Paint Name combination that would be most marketable. **Limit one vote per person.** If there is a tie, the store manager will break the tie by re-judging the tied Entries using the criteria set forth in Rule 6.a.i. for Store Judged Entries. The winning In-Store Entry from each Customer Judged Local Paint Contest will be named a Local Ace Color of the Year Contest Winner, and will win a Local Prize (as described in Rule 8, below, and be entered in the National Ace Color of the Year Contest.

b. Online Ace Color of the Year Contest. On or about March 27, 2018, a panel of marketing and paint merchandising professionals from Ace Hardware Corporation will judge all Online Entries based on the following criteria (criteria to be given the weight stated in parentheses): (i) marketability of the Paint Color (45%) and (ii) creativity and appropriateness of the Paint Name (55%). An additional requirement for the Online Ace Color of the Year Contest is that the Paint Name must be determined by Ace legal counsel to be viable to use based on a preliminary legal/trademark/intellectual property review ("Legally Viable") (as determined solely by Ace legal counsel). If Ace legal counsel determines that the Paint Name is not Legally Viable, the Entry will be disqualified. In the event of a tie, the tie will be broken based on the tied Entry that receives the higher ranking in the creativity/appropriateness of the Paint Name category. The top scoring Online Entry from the Online Paint Contest will be named the "Ace Online Color of the Year Contest Winner," and will win the Online Prize (as described in Rule 8, below, and be entered in the National Ace Color of the Year Contest.

7. Ace National Color of the Year Contest.

- a. Ace Corporate Initial Round Judging of Local Winning Entries. The winners of each Local Ace Color of the Year Contests whose original Entries are sent by the participating Ace retailer to Ace Hardware Corporation postmarked on or before April 14, 2018 (the "Local Winning Entries"), will be judged by a panel of Ace Hardware Corporation marketing and paint merchandising professionals who will evaluate the Local Winning Entries based on the following criteria (each to be given the weight set forth in parentheses): (i) marketability of the Paint Color (45%), and (ii) creativity and appropriateness of the Paint Name (55%). An additional requirement for the Local Winning Entries is that the Paint Name must be

determined by Ace Hardware Corporation legal counsel to be Legally Viable (as determined solely by Ace Hardware Corporation legal counsel) before such entry can be determined to be a finalist. If Ace legal counsel determines that a Paint Name associated with a Local Winning Entry is not Legally Viable, that Local Winning Entry will be disqualified from the National Ace Color of the Year Contest. In the event of a tie, the tie will be broken based on the tied Entry that receives the higher ranking in the creativity/appropriateness of the Paint Name category. The twenty-four Local Winning Entries who receive the highest scores from the panel of Ace Hardware Corporation judges will be named finalists ("National Color of the Year Finalists") and will move on to public voting phase of the National Ace Color of the Year Contest, along with the winner of the Ace Online Paint Contest.

- b. Public Voting. A link to the Paint Colors and Paint Names of the twenty-four National Color of the Year Finalists and the Online Paint Color and Paint Name of the one Online Ace Color of the Year Contest Winner will be posted on the Ace Hardware Corporation Facebook* page <https://www.facebook.com/acehardware/> ("Ace FB Page") beginning at approximately 12:00 a.m. CT on May 30, 2018 and ending at 11:59 p.m. CT on June 5, 2018 (the "Voting Period"). During the Voting Period, members of the public are invited to click the link on the Ace FB Page which will take them to a site to vote for the Paint Color or Online Paint Color and Paint Name combination that they think is the most marketable (the "National Judging Criteria"). Limit one vote per person/account. At the conclusion of the Voting Period, the entrant who submitted the Paint Color/Paint Name that received the most votes will be named the "Ace National Color of the Year Contest Winner," provided that Paint Name passes a full trademark clearance review by Ace Hardware Corporation legal counsel, the scope of which is in Ace Hardware Corporation's sole discretion. The six entrants who submitted the Paint Colors/Paint Names that received the six next most votes will be named the "Ace National Color of the Year Runners Up." In the event of a tie, the tie will be broken based on the tied entrant who received the highest overall score in the prior round of judging by the Ace Corporate judges. In the event the Paint Name that receives the most votes does not pass a full trademark clearance review by Ace Hardware Corporation legal counsel, the entrant who submitted the Paint Color/Paint Name with the next highest number of votes will be named the Ace National Color of the Contest Winner, provided that Paint Name passes a full trademark clearance review by Ace Hardware Corporation legal counsel (with said process followed until a winner is finalized or there are no remaining National Color of the Year Finalists, in which case Ace Hardware Corporation may re-name the Paint Color with a legally approved name to be the Ace National Color of the Year Contest Winner).

* In no way is this Contest sponsored, endorsed or administered by, or associated with, Facebook.

8. Prizes.

- a. Store Judged Local Ace Color of the Year Contest Winners. Each Store Judged Local Ace Color of the Year Contest Winner will be awarded a \$25 Ace gift card. Approximate retail value ("ARV"): \$25.
- b. Customer Judged Local Ace Color of the Year Contest Winners. Each Customer Judged Local Ace Color of the Year Contest Winner will be awarded a \$25 Ace gift card plus the following prize package (total ARV of each prize is \$155):
- i. One (1) gallon Clark & Kensington Ceiling Paint
 - ii. Two (2) gallons Clark & Kensington Interior Paint (customer's choice of sheen)
 - iii. Three (3) pints Clark & Kensington pint samples

- iv. One (1) Ace brand supreme painting kit
- v. One (1) roll blue painter's tape
- c. Ace Online Color of the Year Contest Winner. The one (1) Ace Online Color of the Year Contest Winner will be awarded a \$25 Ace gift card. ARV: \$25.
- d. Ace National Color of the Year Contest Winner. The one (1) Ace National Color of the Year Contest Winner will be awarded a \$1000 Ace gift card. ARV: \$1000.
- e. Ace National Color of the Year Runners Up. The six (6) Ace National Color of the Year Runners Up will each be awarded a \$250 Ace gift card. ARV: \$250 each.

9. Winner Notification and Prize Awarding Details. Potential winners at all levels will be notified by the sponsor of the contest for which they have won a prize by email at the email address provided in their Entry Forms (the "Winner Notification"). Attached to the Winner Notification will be an Affidavit of Liability, a Transfer and Assignment of Rights in the Paint Color and Paint Name, and a Liability/Publicity Release (where legal) (collectively the "Prize Claim Documents"). The potential winner must complete, sign, have notarized (if requested) and return the Prize Claim Documents within ten (10) days of the send date of the Winner Notification, or the potential winner will be disqualified and he/she will forfeit any claim to the prize. In such instance, the sponsor of the contest shall have the option, but not the obligation, to select an alternate potential winner and to follow the same prize notification/verification process detailed above, time permitting. Except where prohibited by law, by accepting a prize, the winner grants permission for Ace to use winner's first and last name, voice, picture, likeness, biographical data, the Paint Color and Paint Name, and any testimonial statement for advertising, promotional and/or any other purposes worldwide, in any media form now in existence or hereinafter developed, in perpetuity, without limitation and without additional compensation. Taxes on prizes are the sole responsibility of the winner. By entering the Contest, each entrant grants ACE the right to use his/her name, likeness and Entry for advertising/publicity/promotional purposes relating to this Contest.

10. Grant of Rights in Paint Color and Paint Name. By entering this Contest and/or accepting a prize, each entrant irrevocably assigns, conveys and transfers to ACE, and each of their successors and assigns, any and all rights, title and interest in perpetuity throughout the world any and all rights he or she has in and to their Entry (including but not limited to their Paint Color and Paint Name, which may be used together or separately), and including but not limited to any and all intellectual property rights and goodwill associated therewith. Further, Entrant agrees on behalf of him or herself and his/her heirs to never challenge Sponsor's ownership or use of the Entry, Paint Color, or Paint Name in whole or in part. Without limiting the foregoing, each entrant acknowledges and agrees that by submitting his or her Entry, Sponsor shall have the exclusive right, but has no obligation, to use, publish, adapt, make derivative works of or from, register for intellectual property protection, assign, sell, license, edit, dispose of, and/or modify such Entry (including using the Paint Color with the Paint Name given to it by the Entrant or using the Paint Color with a different Paint Name, or using the Paint Name with a different Paint Color) in any way, in commerce and in any and all media, whether now known or hereafter conceived, worldwide, without limitation, notification or compensation to the Entrant. Entrant may be required to sign a release to that effect.

11. Miscellaneous. Any illegible, incomplete, or damaged entries, will be void. Entries that contain any inappropriate language, as determined by ACE, will be void. Entries that ACE

determines contain color samples that are inadequate to read with a spectrophotometer will be void. Entries that do not comply with the requirements set forth in these Official Rules will be disqualified at ACE'S sole discretion. By entering, the contestant represents and warrants that he or she has complied with the requirements set forth in these Official Rules. No mechanically reproduced, facsimile or photocopied entry forms are allowed. Entries become ACE'S property and will not be returned. Participation constitutes full and unconditional agreement to these Official Rules and ACE'S decisions, which are final and binding in all matters related to this Contest. Prizes are non-transferable and may not be substituted or redeemed for cash, except at the discretion of ACE in the event that advertised prize becomes unavailable, in which case a prize of equal or greater value will be awarded. By submitting an Entry, each Entrant grants ACE the right to post the Entry in store, online or on the Voting Site, with or without the Entrant's name and hometown, during and after the Contest for purposes of administering or advertising the Contest or ACE. In the event of a dispute, Online Entries will be deemed made by the person named in the Entry Form, even if that person is not the same person as the authorized account holder of the e-mail address submitted at the time of entry. The "authorized account holder" is defined as the natural person who is assigned to an e-mail address by an Internet access provider, on-line service provider, or other organization responsible for assigning e-mail addresses for the domain associated with the submitted e-mail address.

12. Release of Liability. By entering this Contest, each Entrant hereby waives, releases, indemnifies and holds harmless ACE, the paint manufacturers of any paints used in the Contest, Facebook, any advertising and promotion agencies involved with the Contest or marketing thereof, or any other entities involved in the production, administration, execution or fulfillment of this Contest, and all of their affiliated companies, owners, officers, directors, shareholders, employees, contractors, agents and representatives (collectively, the "Released Parties") from any and all claims that entrant may now or hereafter have in any jurisdiction based on "moral rights" with respect to exploitation of the Entry (or any part thereof) by ACE or those authorized by Sponsor. Entrant agrees not to instigate, support, maintain, or authorize any action, claim, or lawsuit against Sponsor or the other Released Parties, on the grounds that any use of the Entry, or any derivative works, infringe or violate any of Entrant's rights therein.

In addition, by submitting an Entry in this Contest, Entrant agrees to waive, release, indemnify and hold harmless all of the Released Parties from any and all claims, damages, expenses, costs (including reasonable attorneys' fees) and liabilities (including settlements) (collectively "Loss") arising out of or related to the Contest or any prize won in the Contest, or for any Loss brought or asserted by any third party against Entrant, ACE or any of the Released Parties, due to or arising out of the Entry, use of the Entry as authorized herein, or the Entrant's conduct in creating an Entry, including but not limited to claims for trademark infringement, copyright infringement; violation of an individual's right of publicity or right of privacy; or defamation. Entrant further agrees to release ACE from any and all claims that any commercial, advertising presentation, Web content or any other material subsequently produced, presented, and/or prepared by or on behalf of ACE infringes Entrant's rights with regard to any elements, characters or ideas contained in any Entry.

13. General Conditions/Release. This Contest is subject to all applicable federal, state, and local laws. Winning a prize is contingent upon fulfilling all requirements set forth with these Official Rules. ACE reserves the right in its sole discretion to cancel, terminate, modify, or suspend the Contest if fraud, technical failures or any other factor beyond ACE'S reasonable control impairs the integrity of the Contest (or any portion thereof), as determined by ACE in its sole discretion, and limit Entries in the applicable Contest to those submitted prior to the action taken, or to proceed in such a manner as may be deemed fair and equitable by ACE in its sole discretion. By

participating, participant agrees to release, discharge and hold harmless all Released Parties from any and all injuries, liability, losses and damages of any kind resulting from their participation in any portion or all portions of this Contest or acceptance, use or misuse of the Prize including, without limitation, personal injury, death and property damage; and if a winner, to the use of winner's name, voice, picture, likeness, biographical data, and submitted color name and color sample for advertising, publicity and promotional purposes in all media. ACE is not responsible for and shall not be liable for: damaged or misdirected postal mailings, shipping or delivery issues, or electronic, hardware or software program, network, Internet, or computer malfunctions, failures, or difficulties of any kind, including without limitation, server malfunction or for any human, typographical, printing or other errors relating to or in connection with this Contest. All disputes related to this Contest, the prize awarded, or these Official Rules shall be governed by, and construed in accordance with, the laws of the State of Illinois.

Released Parties are not responsible for and are hereby released from liability with respect to: (i) electronic transmissions/entries that are lost, late, stolen, incomplete, illegible, damaged, garbled, destroyed, misdirected, or not received by ACE or its agents for any reason, (ii) any problems or technical malfunctions, errors, omissions, interruptions, deletions, defects, delays in operation or transmission, communication failures or human error that may occur in the transmission, receipt or processing of entries, or for destruction of or unauthorized access to, or alteration of, Entries, (iii) failed or unavailable hardware, network, software or telephone, cable or satellite transmissions, damage to entrants' or any person's computer and/or its contents, or causes beyond ACE'S reasonable control that jeopardize the administration, security, fairness, integrity or proper conduct of this Contest or (iv) any Entries submitted in a manner that is not expressly allowed under these Official Rules. All incomplete or non-conforming Entries will be disqualified. ACE is further not responsible for incorrect or inaccurate Entry information whether caused by Internet users or by any of the equipment or programming associated with or utilized in the Contest or by any technical or human error which may occur in the transmission, receipt or processing of the Entries. If for any reason this Contest is not capable of running as planned, or if this Contest or any website associated therewith (or any portion thereof) becomes corrupted or does not allow the proper playing of the Contest and processing of Entries or votes per these Official Rules, or if infection by computer virus, bugs, tampering, unauthorized intervention, actions by entrants, fraud, technical failures, or any other causes, in ACE's sole opinion, corrupt or affect the administration, security, fairness, integrity, or proper conduct of this Contest, ACE reserves the right, at its sole discretion, to disqualify any individual implicated in such action, and/or to cancel, terminate, modify or suspend this Contest.

14. Winners' Lists. Each local winner and the Paint Name and Paint Color will be announced in the local Ace store. For the names of the winners of the Online Color of the Year Contest and National Color of the Year Contest, and of the runners up for the National Color of the Year Contest, mail a self-addressed, stamped envelope to be received by June 30, 2018 to: Ace Hardware Corporation, Attn: M. Williams, 2200 Kensington Court, Oak Brook, Illinois 60523.

15. Privacy. Any personal information submitted online is subject to the privacy policy posted on the Online Entry Site is subject to the privacy policy posted on the Online Entry Site.

16. Sponsors. Each of the Local Contests is sponsored by the local Ace retailer at which the Local Contest is taking place. The Online Color of the Year Contest and the National Color of the Year Contest are sponsored by Ace Hardware Corporation, 2200 Kensington Court, Oak Brook, Illinois 60523.