

Emhart Harttung A/S

Roskildevej 22, 2620 Albertslund

CVR No. 38 95 72 28

Annual report 2015

Approved at the annual general meeting of shareholders on 4/7 - 2016

Chairman:

A handwritten signature in blue ink, appearing to read "Michael Kea", is written over a horizontal dotted line.

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Emhart Harttung A/S for the financial year 1 January - 31 December 2015.

The annual report is prepared in accordance with the Danish Financial Statements Act, but the Executive Board noted that the annual report was not submitted to the Danish Business Authorities within the original time limit of 5 months after year-end.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend the adoption of the annual report at the annual general meeting.

Copenhagen, 4 July 2016

Executive Board:



Amit Sood

Board of Directors:



Martin William Schunert
Chairman



Amit Sood



Donald James Riccitelli

Independent auditors' report

To the shareholders of Emhart Harttung A/S

Independent auditors' report on the financial statements

We have audited the financial statements of Emhart Harttung A/S for the financial year 1 January - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Further, Management is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements according to Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view. The purpose is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by Management as well as the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Report on other legal and regulatory requirements

Emphasis-of-matter paragraph concerning other matters

The Company's servers are located abroad. There is no on-line access from Denmark to the data, etc. preserved at the servers, which is contrary to the Danish Bookkeeping Act. As a result, the members of the Board of Directors may be held liable.

Independent auditors' report

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 4 July 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Bø Leinum
State Authorised Public Accountant

Management's review

Company details

| | |
|----------------------------|--|
| Name | Emhart Harttung A/S |
| Address, Postal code, City | Roskildevej 22, 2620 Albertslund |
| CVR No. | 38 95 72 28 |
| Established | 31 May 1972 |
| Registered office | Albertslund |
| Financial year | 1 January - 31 December |
| Website | http://www.emhart.eu/eu-dk |
| Tel. | +45 44 84 11 00 |
| Telefax | +45 44 84 62 12 |
| Board of Directors | Martin William Schnurr, Chairman Amit Sood Donald James Riccitelli |
| Executive Board | Amit Sood |
| Auditors | Ernst & Young, Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4 P O Box 250 2000 Frederiksberg, Denmark |
| Bankers | SEB - Skandinaviska Enskilda Banken Bernstorffsgade 50 1577 København V |

Management's review

Operating review

The Company's business review

The Company's operational business area is trade with fasteners, which are sold in the Danish construction and industrial markets.

The Company entered into a commission agreement in 2013 where all supply chain and logistic activities moved to the Netherlands. Hereafter, the Company receives commission based on the Danish sales completed from the Netherlands.

As part of the agreement, a minimum commission has been agreed in case the commission income is not sufficient to cover the operating costs.

Unusual matters having affected the financial statements

During 2015, the Company completed a solvent liquidation of the wholly owned subsidiary, Black & Decker Batteries Management Limited. At 31 December 2015, the Company does not hold any other investments.

Financial review

The income statement for 2015 shows a loss of DKK 9,903 thousand against a loss of DKK 10,675 thousand last year, and the balance sheet at 31 December 2015 shows a negative equity of DKK 272 thousand.

The Company's principal debt is in US dollars, and the result for the year has been impacted by an unrealised exchange rate loss of DKK 9,871 thousand. Due to this fact, the Company has negative equity at 31 December 2015.

Management expects that the share capital will be re-established through future earnings the forthcoming years.

The group company Black & Decker Luxemburg S.á.r.l. has undertaken to provide continuing financial support to the Company during 2016. With reference to intercompany balances between Emhart Harttung A/S and Stanley Black & Decker group controlled entities, Black & Decker Luxemburg S.á.r.l. has confirmed that the company will not demand repayment of any loans (USD 13,645 thousand) and payables within this period if the Company does not have available earnings to make the payment. Emhart Harttung A/S can defer payments if the Company does not have available earnings to make the payment.

Post balance sheet events

No significant events have occurred subsequent to the financial year.

Outlook

The Company expects a positive result in 2016.

Financial statements for the period 1 January - 31 December

Income statement

| Notes | DKK | 2015 | 2014 |
|-------|---|-------------|-------------|
| | Gross profit | 3,077,140 | 3,432,808 |
| 2 | Staff costs | -3,077,140 | -3,424,346 |
| | Depreciation of property, plant and equipment | - | -8,462 |
| | Operating profit | 0 | 0 |
| | Income from investments in group entities | -68,508 | 58,844 |
| 3 | Financial expenses | -10,867,306 | -10,782,935 |
| | Profit/loss before tax | -10,935,814 | -10,724,091 |
| 4 | Tax for the year | 1,032,996 | 48,629 |
| | Profit/loss for the year | -9,902,818 | -10,675,462 |

Financial statements for the period 1 January - 31 December

Balance sheet

| Notes | DKK | 2015 | 2014 |
|-------|--|-------------|-------------|
| | ASSETS | | |
| | Fixed assets | | |
| 5 | Investments in group entities, net asset value | 0 | 1,012,330 |
| | Total fixed assets | 0 | 1,012,330 |
| | Current assets | | |
| | Receivables from group entities | 132,761,995 | 132,036,853 |
| | Other receivables | 168,726 | 265,862 |
| | Prepayments | 0 | 17,522 |
| | Receivables | 132,930,721 | 132,320,237 |
| | Cash | 0 | 0 |
| | Total current assets | 132,930,721 | 132,320,237 |
| | TOTAL ASSETS | 132,930,721 | 133,332,567 |
| | EQUITY AND LIABILITIES | | |
| | Equity | | |
| 6 | Share capital | 29,797,000 | 29,797,000 |
| | Retained earnings/Accumulated loss | -30,069,409 | -20,166,591 |
| | Total equity | -272,409 | 9,630,409 |
| | Liabilities | | |
| | Payables to group entities | 132,738,745 | 122,900,627 |
| | Long-term liabilities | 132,738,745 | 122,900,627 |
| | Other credit institutions | 6,213 | 2,830 |
| | Trade payables | 20,539 | 18,934 |
| | Payables to group entities | 90,224 | 328,526 |
| | Other payables | 347,409 | 451,241 |
| | Short-term liabilities | 464,385 | 801,531 |
| | Total liabilities | 133,203,130 | 123,702,158 |
| | TOTAL EQUITY AND LIABILITIES | 132,930,721 | 133,332,567 |
| 1 | Accounting policies | | |
| 7 | Contingent liabilities and other financial obligations | | |
| 8 | Related parties | | |

Financial statements for the period 1 January - 31 December

Statement of changes in equity

| | <u>Share capital</u> | <u>Retained earnings</u> | <u>Total</u> |
|--|----------------------|--------------------------|-----------------|
| Equity at 1 January 2015 | 29,797,000 | -20,166,591 | 9,630,409 |
| Profit/loss for the year, cf. appropriation of profit/loss | 0 | -9,902,818 | -9,902,818 |
| Equity at 31 December 2015 | <u>29,797,000</u> | <u>-30,069,409</u> | <u>-272,409</u> |

At 31 December 2015, the Company has a negative equity. Management expects that the share capital will be re-established through future earnings the forthcoming years.

The group company Black & Decker Luxemburg S.á.r.l. has undertaken to provide continuing financial support to the Company during 2016. With reference to intercompany balances between Emhart Harttung A/S and Stanley Black & Decker group controlled entities, Black & Decker Luxemburg S.á.r.l. has confirmed that the company will not demand repayment of any loans (USD 13,645 thousand) and payables within this period if the Company does not have available earnings to make the payment. Emhart Harttung A/S can defer payments if the Company does not have available earnings to make the payment.

Financial statements for the period 1 January - 31 December

Notes

1 Accounting policies

The annual report of Emhart Harttung A/S has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

The financial statements have been presented in accordance with the same accounting policies as were applied last year.

Reporting currency

The financial statements are presented in Danish kroner.

Currency translation

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rate at the date of the transaction.

Receivables, payables and other monetary items denominated in foreign currencies are translated into Danish kroner at the exchange rate at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other leases are disclosed under contingencies, etc.

Income statement

Revenue

Commission income is recognized over the term of the agreement in accordance with the content of the commission agreement.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items "Revenue", "Cost of sale", "Other external expenses" and "Other operating income" are consolidated into one item designated 'Gross

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial statements for the period 1 January - 31 December

Notes

1 Accounting policies (continued)

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Depreciation of property, plant and equipment

The item comprises depreciation of property, plant and equipment.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful life of each individual asset. The depreciation basis is the cost and less expected residual value.

Income from investments in group entities

The item includes the entity's proportionate share of the profit/loss for the year in subsidiaries.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment comprise of other fixtures and fittings, tools and equipment. Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Depreciation principles used are based on straight-line depreciation of assets during their expected useful lives. The following years have in general been used for depreciation:

Other fixtures and fittings, tools and equipment: Useful life 4 years with a scrap value of 0.

Depreciation is recognized in the income statement.

Financial statements for the period 1 January - 31 December

Notes

1 Accounting policies (continued)

Investments in group entities

Investments in subsidiaries are measured, using the equity method, at the parent's proportionate share of such entities' equity plus goodwill on consolidation and intra-group losses and less intra-group gains and negative goodwill, if any. Investments in entities whose net asset value is negative are measured at DKK 0. The entity's proportionate share of a deficit on equity, if any, is set off against receivables from the investment in so far as the deficit is irrecoverable. Amounts in excess thereof are recognised under "Provision" in so far as the parent has a legal or constructive obligation to cover the deficit.

Impairment of fixed assets

Every year, other fixtures and fittings, tools and equipment as well as investments in subsidiaries and associates are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro rata basis.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprises bank balances which are subject to an insignificant risk of changes in value.

Balances in the group's cash pool scheme are not, due to the nature of the scheme, considered cash, but are recognised under 'Receivables from group entities'.

Other payables

Other payables are measured at net realisable value.

Financial statements for the period 1 January - 31 December

Notes

2 Staff costs

| DKK | 2015 | 2014 |
|-----------------------------|------------------|------------------|
| Analysis of staff costs: | | |
| Wages/salaries | 2,810,411 | 3,107,751 |
| Pensions | 229,750 | 262,105 |
| Other social security costs | 36,979 | 54,490 |
| Other staff costs | 0 | 0 |
| | <u>3,077,140</u> | <u>3,424,346</u> |

| | Number | Number |
|-----------------------------|----------|----------|
| Average number of employees | <u>6</u> | <u>6</u> |

By reference to section 98b (3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

| DKK | 2015 | 2014 |
|-----------------------------------|-------------------|-------------------|
| 3 Financial expenses | | |
| Interest expenses, group entities | 979,387 | 953,526 |
| Other interest expenses | 0 | 4,234 |
| Exchange losses | 9,887,919 | 9,825,175 |
| | <u>10,867,306</u> | <u>10,782,935</u> |

4 Tax for the year

| | | |
|------------------------------|------------------|----------------|
| Tax adjustments, prior years | -1,032,996 | -48,629 |
| | <u>1,032,996</u> | <u>-48,629</u> |

Tax adjustments, prior years, include tax refunds received from the joint taxation with other Stanley Black & Decker entities.

Financial statements for the period 1 January - 31 December

Notes

5 Investments in group entities

| DKK | <u>Investments in group entities</u> |
|---|--|
| Cost | |
| Balance at 1 January 2015 | 0 |
| Cost at 31 December 2015 | <u>0</u> |
| Revaluations | |
| Balance at 1 January 2015 | 1,012,330 |
| Exchange adjustment | |
| Disposal (Solvent liquidation of B&D Batteries) | -1,012,330 |
| Revaluations at 31 December 2015 | <u>0</u> |
| Carrying amount at 31 December 2015 | <u><u>0</u></u> |

During 2015, the Company completed a solvent liquidation of the wholly owned subsidiary, Black & Decker Batteries Management Limited. At 31 December 2015, the Company does not hold any other investments.

6 Share capital

The Company's share capital comprises 29,797 thousand shares of DKK 1.00.

The Company's share capital has remained DKK 29,797 thousand in the past 5 years.

7 Contingent liabilities and other financial obligations

The Company is jointly taxed with other Danish group entities and is jointly and severally liable with other jointly taxed group entities liable for payment of income taxes for the income year 2013 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

Other financial obligations

Other rent and lease liabilities:

| | <u>2015</u> | <u>2014</u> |
|----------------------------|---------------|----------------|
| Rent and lease liabilities | <u>92,000</u> | <u>203,000</u> |

Rent and lease liabilities include company car operating lease obligation totalling DKK 92 thousand with remaining contract terms of less than 12 months.

Financial statements for the period 1 January - 31 December

Notes

8 Related parties

Information about related parties with a controlling interest:

| <u>Related party</u> | <u>Domicile</u> | <u>Basis for control</u> |
|--------------------------------|-----------------|--------------------------|
| Stanley European Holdings B.V. | The Netherlands | Participating interest |

Information about consolidated financial statements:

| <u>Parent</u> | <u>Domicile</u> | <u>Requisitioning of the parent's consolidated financial statements</u> |
|------------------------------|--------------------------|---|
| Stanley Black & Decker Inc. | United States of America | 1000 Stanley Drive, New Britain, Connecticut 06053, USA |
| Black & Decker Holdings GmbH | Germany | Black & Decker Strasse 40, 65510 Idstein, Germany |