

## **Bosch Security Systems, Inc.**

### **Terms and Conditions of Sale**

Any sale by Bosch Security Systems, Inc. ("Bosch") of Product (the "Product") indicated on the reverse side hereof or attachment is expressly made conditional on the assent of the customer (hereinafter "Buyer") to these Terms and Conditions of Sale. The Buyer's acceptance of delivery of any part of Products/services sold shall constitute such assent and a waiver of all terms and conditions in its purchase order or similar document which are different from or additional to those set forth herein. Bosch's failure to object to provisions contained in any communication from Buyer shall not be deemed a waiver of the Terms. Bosch must agree to any changes in the Terms in a writing signed by an officer.

#### **1. PRICES AND TERMS OF PAYMENT**

1.1 Unless otherwise specified by Bosch in writing, prices shall be those set forth in the applicable Price Schedule and terms of payment as specified by Bosch. Bosch reserves the right to change or withdraw prices for the Products or services it offers for sale without prior notice. Partial shipments or performance made within this period will not obligate Bosch to make further shipments or performance at these prices after the expiration of the 30-day period.

1.2 Prices are in United States dollars payable to the remit to address specified on the invoice, unless otherwise specified by Bosch.

1.3 Unless otherwise specified by Bosch in writing, all taxes and other charges imposed by federal, state, local, or foreign governments on the manufacture, sale, shipment, import, export, or use of the Products or services shall be added to the price and billed to and paid by Buyer. Buyer shall defend, indemnify, and hold harmless Bosch from and against all liabilities for such taxes or charges and attorneys' fees or costs incurred by Bosch in connection therewith.

**2. ACCEPTANCE, MINIMUM ORDER RELEASE** - Any quotation or proposal is subject to change or cancellation by Bosch at any time without notice, and, in any event, expires 30 days from its date, unless otherwise indicated therein or extended in writing by Bosch. Bosch's quotation or proposal does not constitute an offer by Bosch, and any order or orders placed thereon are not binding on Bosch until Bosch's acceptance in writing has been sent to Buyer. The banking, negotiation, endorsement, or other use of Buyer's down payment, if any, shall not constitute acceptance by Bosch.

**3. DELIVERY** - Bosch shall have the right to make deliveries or perform services in installments. Partial shipments or performance will be billed as made, and payments therefor are subject to the terms of payment referenced herein. All delivery indications or completion dates are estimated and are dependent in part upon prompt receipt of all necessary information to service an order. Bosch reserves the right to allocate, in its sole discretion, inventories, production, and services when such allocation becomes necessary. In no event will Bosch be liable for any premium transportation, procurement, or other costs or losses incurred by Buyer as a result of Bosch's failure to deliver products in accordance with indicated delivery/performance schedules. Delivery shall be Ex Works (defined in INCOTERMS 2000) Bosch's plant. Title to goods and risk of loss pass to Buyer upon delivery of Product to the carrier. No loss shall relieve Buyer of its obligations. In the event Bosch pays transportation and insurance beyond the point of shipment to the destination specified by Buyer, all such costs will be billed as a separate item on the invoice. All shipments normally will be made via the most economical method and routing consistent with service requirements as selected by Bosch.

#### **4. PATENTS AND PATENT WARRANTY**

'Proprietary Rights' mean all our worldwide patent rights, patent applications, rights to apply for patents, copyrights, copyright registrations, trade secrets, service marks, trademarks, service mark and trademark registrations, related goodwill and confidential and proprietary information. Buyer has no Proprietary Rights in the goods or any other materials received from Bosch.

4.1 Bosch has the right to defend, or at its option to settle, any third party claim, suit or proceeding brought against Buyer alleging an infringement of a U.S. patent by a Bosch Product sold to Buyer. Bosch shall pay, subject to the limitations hereinafter set forth, any final judgment entered against Buyer on such issue in any suit or proceeding defended by Bosch. The foregoing obligations are subject to Buyer's prompt, written notification of any such claim, suit, or proceeding, and its provision of full information and assistance to settle and/or to defend any such claim, suit or proceeding. If the Product, or any part thereof, becomes, or in the opinion of Bosch may become, the subject of any claim, suit, or proceeding for infringement of, or in the event of an adjudication that such Product or part infringes, any U.S. patent, Bosch may, at its option and its expense: (1) procure for Buyer the right to use, lease, or sell, as appropriate, such Product or part, or (2) replace such Product or part, or (3) modify such Product or part, or (4) remove such Product or part and refund the aggregate payments and transportation costs paid therefor by Buyer less a reasonable sum for use, damage, and obsolescence. Bosch shall have no liability for, and Buyer shall indemnify, defend and hold harmless Bosch to the extent of, any infringement arising from the following: (i) the combination of such Product or part with any other Product or part whether or not furnished to Buyer by Bosch, or (ii) the modification of such Product or part, at the request of Buyer, whether or not such modification was made by Bosch, or the compliance by Bosch with any Buyer designs, specifications, or instructions or (iii) the use of such Product or part in practicing any process, or (iv) the furnishing to Buyer of any information, data, service, or application assistance. Bosch shall not be liable for any costs or expense incurred without Bosch's written authorization and in no event shall Bosch's total liability to Buyer under, or as a result of compliance with, the provisions of this paragraph exceed the aggregate sum paid to Bosch by Buyer for the allegedly infringing Product or part, exclusive of any refund under option (4) above. The foregoing states the entire warranty by Bosch, and the exclusive remedy of Buyer, with respect to any alleged patent infringement by such Product or part. In the event that Buyer is an authorized distributor of Bosch, and as a condition of sale, such warranty, subject to the terms and conditions hereof, shall be extended to the direct purchasers from such distributor of the Products covered hereby.

4.2 No sale or lease hereunder shall convey any license by implication, estoppel, or otherwise, under any proprietary or patent rights of Bosch, to practice any process with such Product or part, or for the combination of such Product or part with any other Product or part. Bosch's sale of goods does not carry with it any license to use such goods in combination with other goods not purchased from Bosch or our licensees if the combination is the subject of any intellectual property not owned or controlled by Bosch.

4.3 Neither Buyer, any representative of Buyer's, nor any other person shall have the right to examine or audit Bosch's costs, books or records of any kind or on any matter, or be entitled to, or have control over, any engineering or production prints, drawings or technical data which we, in our sole discretion, may consider in whole or in part proprietary to ourselves. Any drawings and other information delivered to Buyer or Buyer's representative shall be used solely for purposes of inspection, installation or maintenance. The information shall not be used or disclosed by Buyer or Buyer's representative for any other purpose whatsoever.

4.4 All software purchased by Buyer is in accordance with the terms and conditions of Bosch's Software License Agreement.

#### **5. OTHER WARRANTIES, LIMITATION OF LIABILITY**

5.1 Bosch warrants that its products, at the time of shipment by Bosch, are free from defect in material or workmanship under normal use and service for the respective warranty periods specified in the applicable Price Schedule or as otherwise published.

5.2 To assure conformance with operating limitations, Buyer should refer to the applicable data sheet.

5.3 The warranty is void (i) if the Product is not operated in conformance with installation, environmental, mechanical or electrical requirements, or within thermal stress limits, or (ii) to the extent that any malfunction is the result of misuse, abuse, vandalism, neglect, improper installation or application, alteration, accident, or negligence in use, storage, transportation, or handling, or if the original identification markings on the Product have been removed, defaced or altered, lightning, electricity, water, fire, environmental or other hazard, or act of God, or other impact outside of normal operating guidelines.

5.4 The foregoing warranty is subject to Buyer's (i) promptly written claim and (ii) timely provision to Bosch of an opportunity to inspect and test the Product claimed to be defective. Such inspection may be on Buyer's premises and/or Bosch may request the return of the Product at Buyer's expense. However, Bosch shall not be responsible for packing, inspection, or labor costs in connection with the return of Product. No Product shall be accepted for warranty service that is not accompanied by a Return Authorization issued by Bosch.

5.5 The liability of Bosch hereunder or otherwise is solely and exclusively limited to replacement (new or refurbished Product), repair, or credit of the amortized purchase price, as Bosch may elect, for any Product which is returned by Buyer during the applicable warranty period, or services for which timely notice of defect has been given by Buyer, and which are found by Bosch to be subject to adjustment under this warranty.

5.6 Bosch's warranty shall not be enlarged, diminished, or affected by, and no obligation or liability shall arise or grow out of Bosch's rendering of technical advice, facilities, or services in connection with Buyer's order or the products furnished hereunder.

5.7 **BOSCH MAKES NO OTHER OR FURTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR WARRANTY OF MERCHANTABILITY.**

5.8 **IN NO EVENT SHALL BOSCH BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, LOSS OF ANTICIPATED PROFIT, OR OTHER ECONOMIC LOSS OR FOR ANY DAMAGES ARISING IN TORT WHETHER BY REASON OF STRICT LIABILITY, NEGLIGENCE, OR OTHERWISE REGARDLES OF WHETHER IT HAS BEEN APPRISED OF THE POSSIBILITY OF SUCH.**

5.9 Bosch does not represent or warrant that goods/services (i) may not be compromised or circumvented, (ii) will operate as designed, (iii) will prevent or reduce personal injury, property damage or economic loss, or (iv) will provide adequate warning or notice as designed or may be intended by Buyer or any end user.

6. **INSPECTION OF PRODUCTS** - Products shall be inspected by Buyer upon delivery and services, upon performance. Notice of rejection or claim for shortages, damaged Product, or other nonconformity must be submitted by Buyer to Bosch in writing within 90 days of shipment or performance and must specify the particular respects in which the delivery, Products, or services, as applicable, are nonconforming. Buyer shall have no right to exercise any remedial rights until notice of nonconformity has been given to Bosch and Bosch afforded a reasonable opportunity to cure such nonconformity, if appropriate.

7. **RETURNS, EXCHANGES AND REPAIRS** – Any requests for the return of Products because of "ordered in error" or "cancellation" (after shipment has been made), must be made within 30 days of shipment, or Product is otherwise deemed accepted. If approval is given by Bosch to return Product, a restocking charge may be deducted from the amount of credit issued by Bosch. All returns must be unused, in original factory condition, packaged in original factory packaging and returned to Bosch, freight prepaid by Buyer. **ALL RETURNS MUST BE ACCOMPANIED BY A RETURN AUTHORIZATION NUMBER ISSUED BY BOSCH OR WILL BE RETURNED TO BUYER.** Exchanges and repairs – contact your Bosch representative/facility for instructions for exchanges, and in-warranty/out-of-warranty repairs.

8. **CANCELLATION, HOLD, OR STOP-WORK NOTICES** - Buyer may send Bosch a cancellation, hold, stop-work, or similar notice at any time applicable to any unshipped portion of any order not involving a special or custom Product, and such notice will be accepted by Bosch subject to the following conditions:

8.1 Any hold, stop-work, or similar notice shall be treated as a cancellation notice if and when, in the opinion of Bosch, circumstances warrant such treatment.

8.2 Buyer shall pay a cancellation charge specified by Bosch which shall include adjustment of the billing price to Bosch's established price applicable to the quantity actually delivered, and may include, among other things, all costs, both direct and indirect, incurred and committed with a reasonable allowance for prorated expenses.

8.3 Bosch will be under no further obligation with respect to filling the order to which such notice applies.

9. **FORCE MAJEURE** – Bosch's shall not be liable for any failure in performance to the extent caused by an Act of God, outbreak of hostilities (whether or not war is declared), insurrection, riot, civil disturbance, Government Act or regulation, fire, flood, explosion, production delays, accident, theft, climatic conditions, inability to obtain power, shortage of material, transportation, strike, lockout, or trade dispute (whether Bosch's or another party's employees), third party supplier's actions, federal, state or municipal orders and directions, or other cause beyond Bosch's reasonable control. The period of the contract shall be correspondingly extended by the period of such delay, if deliveries/services are suspended for six months or more, Bosch may at its option, by written notice to Buyer, without liability or penalty and without relieving Buyer of its obligation to pay for any products/services which have been delivered, cancel the contract with respect to any undelivered Products/services.

10. **SECURITY INTEREST** - Bosch retains a security interest in those Products for which amounts remain unpaid, as of the date of delivery. Buyer shall not otherwise sell, offer for sale or otherwise encumber, nor grant any higher priority interest in these Product(s) while any portion thereof remains unpaid. Buyer appoints Bosch as its attorney in fact to prepare, sign and file or record any financing statement, applications for registration and similar papers and to take any other action deemed necessary or desirable in order to perfect Bosch's security interest. Once the Product is fully paid, Buyer may request Bosch to withdraw any financing statements previously filed hereunder.

11. **BUYER'S SOLVENCY** - Buyer's order shall constitute a representation that Buyer is solvent. If Bosch at any time reasonably believes that Buyer is insolvent or that Buyer's credit is impaired, Buyer shall be in material breach hereof and Bosch may, without liability to Buyer, withhold performance hereunder, change the payment terms including, without limitation, declaring all amounts to be immediately due and payable, and/or repossess products previously delivered.

12. **BOSCH'S DAMAGES** - If Buyer wrongfully rejects or revokes acceptance of Products/services covered hereby, or fails to make any payment when due, or repudiates this order, Bosch shall have all the rights and remedies provided by law and, without limitation of the foregoing, may recover as damages, where permitted by applicable law, the price including a late payment or interest charge from due date at one and one-half percent (1-1/2%) per month on the unpaid balance, but not to exceed the maximum rate of interest permitted by law, and any costs of collection, including reasonable attorneys' fees. As to all partially manufactured Products, Bosch may, at its option complete their manufacture, and hold Buyer responsible for their price. Upon recovery of the price, the Products shall become the property of Buyer.

13. **GENERAL**

13.1 No addition to, deletion from, or modification of any of the provisions of these Terms and Conditions of Sale shall be binding upon Bosch, unless made in writing and signed by a duly authorized officer or employee of Bosch. Oral statements, warranties, or representations made by any agent or employee or representative of Bosch are not authorized by Bosch and shall be of no force or effect. These Terms and Conditions of Sale are the final, complete, and exclusive statement of the terms of the agreement between Bosch and Buyer. ANY DIFFERENT OR ADDITIONAL TERMS PROPOSED BY BUYER ARE OBJECTED TO AND HEREBY REJECTED.

13.2 A waiver by Bosch of any default by Buyer or of any of these Terms and Conditions of Sale shall not be deemed to be a continuing waiver or a waiver of any other default or of any other of these Terms and Conditions of Sale, but shall apply solely to the instance in which the waiver is directed.

13.3 This agreement may not be assigned by Buyer without Bosch's written consent.

13.4 The parties agree to submit all disputes between them arising out of or relating to this Agreement or the breach, alleged breach or interpretation thereof to binding arbitration except that this provision shall not apply to requests for injunctive relief. Within thirty (30) days after either party has notified the other in writing that it is submitting a dispute to arbitration, one arbitrator shall be chosen under the then current Rules of the American Arbitration Association (hereinafter "AAA") pertaining to commercial disputes. Neither party shall be allowed to object to any arbitrator appointed by AAA. The ensuing arbitration shall be held in Chicago, Illinois, and shall be conducted according to the Rules of the AAA. The arbitration award shall be by a written decision containing findings of fact and conclusions of law and shall be final and binding. It may be entered in and enforced by any court of competent jurisdiction. The party prevailing in the arbitration or any other legal proceedings shall be entitled to recover its costs including reasonable attorney's fees incurred due to the arbitration or other legal proceedings. In no case shall the arbitrator be authorized to award cost and damages otherwise prohibited herein.

#### 14. PAYMENT TERMS FOR INTERNATIONAL ORDERS

14.1 Payment for the Products/services specified by Buyer's order shall be made in U.S. Dollars, through the medium of an irrevocable Letter of Credit in favor of Bosch, confirmed by a bank located in the United States acceptable to Bosch. Unless otherwise agreed, such Letter of Credit shall be valid for a period of time sufficient to enable Bosch to receive payment in full plus thirty days, shall be for the total price of the Product/services, including any applicable transportation and insurance costs, and in a form acceptable to Bosch, and shall authorize partial payments against partial deliveries. The Letter of Credit shall provide for payment(s) to Bosch at sight upon presentation to the confirming bank of Bosch's sight draft(s) on the confirming bank for one hundred percent of the invoice value of each delivery, accompanied by commercial invoice(s) or by shipping documents.

14.2 The Letter of Credit shall permit shipment and shall permit presentation of nonnegotiable copies of bills of lading provided they are accompanied by Bosch's declaration that the originals have been mailed directly to the opening bank. All bank charges in connection with said Letter of Credit including those of the confirming bank, shall be for the account of Buyer.

14.3 Other payment terms may be negotiated between Bosch and Buyer, in which case such special payment terms shall be specified in writing and become a part of the sale agreement.

#### 15. UNITED STATES EXPORT LAWS

15.1 Bosch's obligations are subject to the export administration and control laws and regulations of the United States. Buyer shall comply fully with such laws and regulations in the export, resale or disposition of Products.

15.2 Quotations or proposals made, and any orders accepted by Bosch from a Buyer outside the United States are with the understanding that the ultimate destination of the Products is the country indicated therein. Diversion of the Products to any other destination contrary to United States law is prohibited. Accordingly, if the foregoing understanding is incorrect, or if Buyer intends to divert the products to any other destination, Buyer shall immediately inform Bosch of the correct ultimate destination.