

Terms & Conditions

INGERSOLL-RAND COMPANY, SECURITY TECHNOLOGIES SECTOR, GENERAL TERMS AND CONDITIONS OF SALE AND SERVICE

1. GENERAL. (a) This Agreement contains the terms and conditions by which Company will quote and sell its Products and Services to Customer. (b) The terms “purchase order” or “order” for the purposes of this Agreement include the term “request for quotation,” as appropriate. (c) This Agreement supersedes all *pre-printed* and boilerplate terms and conditions set forth in any purchase order issued by Customer. (d) No reference herein to Customer’s purchase order will in any way *incorporate different or additional terms and conditions* which are hereby objected to. (e) ANY ACCEPTANCE BY COMPANY OF CUSTOMER’S PURCHASE ORDER IS EXPRESSLY CONDITIONED ON THE CUSTOMER’S ASSENT TO AND ACCEPTANCE OF THE TERMS AND CONDITIONS CONTAINED IN THIS AGREEMENT. (f) In the event of a *conflict* between this Agreement and a purchase order issued by Customer, the terms of this Agreement will prevail. In the event of a *conflict* between this Agreement and any specific Product or Service terms and conditions, the specific Product or Service terms and conditions will prevail.

2. SCOPE OF PRODUCTS AND SERVICES AND ORDERS.

(a) **Scope of Products and Services.** The scope of the Products and Services (including, but not limited to location) are (i) attached to this Agreement, (ii) separately furnished by Company to Customer, or (iii) subject to Section 1 herein, contained in an order submitted by Customer. Non-standard finishes and special items may be available. Contact Company for such availability. All Products that come in “kits” cannot be sold as individual pieces. See the specific product terms and conditions for exceptions. (b) **Orders.** All orders submitted by Customer must be in written form acceptable to Company. A minimum net Product or Service order value, excluding freight charges, may be required for each order. Such minimum net Product or Service order value will be (i) attached to this Agreement; (ii) separately identified in the specific Product Price Book; or (iii) separately furnished by Company to Customer. In the event the order value does not meet any required minimum net Product or Service value, Company will, at its sole discretion, either (i) increase the quantity of items in the order to meet the minimum net Product or Service value provided herein; (ii) apply a minimum order charge; or (iii) reject the order. (c) **Receipt of an Order.** Company will acknowledge receipt of each order issued in accordance with this Agreement and will notify Customer whether such order has been accepted or rejected, in whole or in part, by Company. If Company fails to acknowledge receipt of an order, within a reasonable time period, such failure to acknowledge receipt will be deemed a rejection of the entire order. (d) **Changes to Orders.** Any changes to orders must be acknowledged by Company in writing. Company reserves the right to deny any changes to orders, which have been previously acknowledged by Company. The time period for making any changes to orders for Products will be (i) attached to this Agreement; (ii) separately identified in the specific Product Price Book; or (iii) separately furnished by Company to Customer. All changes to orders are subject to a change order charge of 25% of the net Product or Service value or \$25.00, whichever is greater, plus the cost of fabrication or raw material that will need to be purchased for the change order. Unless otherwise specified by

Company in writing, any changes to orders acknowledged by Company that affect the delivery date will be deemed a new order and will require acknowledgement by Company as provided in this Section 2. (e) **Cancellation of Orders.** All cancelled orders are subject to Company's written acknowledgement to be valid. The time period for order cancellations will be (i) attached to this Agreement; (ii) separately identified in the specific Product Price Book; or (iii) separately furnished by Company to Customer. All cancelled orders acknowledged by Company for standard products are subject to a cancellation charge of 25% of the net standard Product or Service value or \$25.00, whichever is greater, plus the cost of any fabrication or raw materials that have been purchased for the order. (iv) All cancelled orders for a Non Recurring Expense (NRE) or Custom orders will be subject to a cancellation charge of 100% of the acknowledged price.

3. PRICES AND PAYMENT. (a) **Prices.** The prices specified by Company are subject to change, without notice, to Company's prices in effect at the time of each shipment of Products or performance of Services. Additional charges may be applied for product modification or engineering services. Oral prices specified by Company are null and void. (b) **Invoices.** Company will submit invoices to Customer stating amounts due. (c) **Payment Terms.** Payment terms are 2% cash discount 20 days, net 35 days from date of invoice. Cash discounts do not apply to credit card transactions. Payment will be made in United States dollars. (d) **Credit Terms.** All orders are subject to Company's credit limit and terms of credit required by Company or contained in Company's credit application, which is subject to change by Company at any time either before or after delivery of any part of the order. Company reserves the right to request payment in advance of shipment or any order or to request adequate assurances for Customer's payment of an order and may withhold or stop shipment, without any liability to Company, until Customer submits payment or assurance of payment, as required by Company. (e) **Default.** If Customer is in default in payment or otherwise with respect to any order for Products or Services or any other contract with Company, Company shall have the right, in addition to all other legal remedies and without prejudice to any of its right hereunder, to defer further shipments until such default is corrected and to declare all outstanding bills of Customer to be immediately due and payable. (f) **Taxes.** Any taxes, charges, or duties imposed by any governmental authority on the sale of Products or Services will be paid by Customer, in addition to the selling price specified by Company. (g) **Late Payment Charge.** A late payment charge of 1.5% per month equivalent to 18% per annum will be charged on past due balances owed Company. Provided however, that in the event that applicable governmental law sets a maximum rate for late payment fees which is less than 18% per annum, then the late payment charge assessed will be set at the maximum rate permitted by law.

4. INSPECTION, DELIVERY, SHIPPING, FREIGHT CHARGES, CLAIMS, AND PACKING.

(a) **Inspection.** Inspection of Products and Services will be done by Customer immediately after receipt of Products or completion of Services. Inspection of Products or Services by Customer at Company's facility is not permitted. (b) **Delivery.** Product delivery schedules are based upon current production capacities, material or component availability, and inventory, and may be changed by Company as conditions require. Service delivery schedules are based upon prompt receipt of, and prompt access to, Customer's equipment and all information necessary to complete the Services. In no event will Product or Service delivery dates be construed as falling within the meaning of "time is of the essence." Partial delivery shall be accepted by Customer and paid for at the price and on the terms stated herein. Any partial delivery of Products or Services, shall constitute a separate sale and payment shall be separately made when due. If any part of the Products or Services are not delivered by Company in accordance with Customer's order, this Agreement shall not be affected thereby.

(c) **Shipping.** Unless otherwise specified by Company, (i) where the Customer is located in the United States, all Products will be sold "Uniform Commercial Code, F.O.B. Origin, Company's factory"; and (ii) where the Customer is located outside of the United States, all Products will be sold "Incoterms 2000, Ex-works, Company's factory." In either instance, title and risk of loss will pass to Customer upon delivery to the carrier at Company's factory. **Provided however**, a security interest will remain in the Products, regardless of mode of attachment to realty or other property, until full payment has been made therefore, and Customer agrees, upon request, to do all things and acts necessary to protect Company's interest by adequately insuring the Products against loss from damage from any cause and to have Company named as an additional insured. Copies of all Certificates of Insurance will be provided to Company upon request. Customer will also assist Company in providing all necessary documents or signatures required to file any documents to perfect Company's interest in such Products. (d) **Freight Charges.** All freight charges will be (i) attached to this Agreement; (ii) separately identified in the specific Product Price Book; or (iii) separately furnished by Company to Customer. (e) **Claims.** All claims for loss or damage to Products while in the care, custody, and/or control of a carrier will be the responsibility of Customer, who will submit any claims.. (f) **Packing.** Company will pack, mark, and ship the Products according to its standard procedures for shipment, unless the parties agree, in writing, that Company will comply with any special instructions provided by Customer. Compliance with special instructions may result in an increased price.

5. CLAIMS. (a) All claims must be submitted in writing to Company as follows: (i) All claims for prices must be submitted within thirty (30) days from the date of invoice. (ii) All claims for Product quantity or incorrect orders must be submitted within ten (10) days from the date of delivery. (iii) All claims for damage to Products (while in the care, custody, and control of Company) must be submitted within thirty (30) days from the date of invoice.

6. PRODUCT CHANGES. Company reserves the right to change without notice the design of, or the process of manufacturing, the Products covered by this Agreement; provided that the foregoing will not be construed as relieving Company from its obligation to deliver Products which conform to the specifications which Company may have furnished to Customer.

7. PRODUCT RETURNS. Products may not be returned unless Customer receives written authorization from Company. If returns are authorized by Company, a return merchandise authorization (“RMA”) number must be provided by Company. Products identified under such RMA must be returned to Company within 90 days of issuance of the RMA. Such RMA number and any accompanying RMA documents, the original invoice number, and a written explanation for the return must be included with the returned Products in order for Company to inspect and approve a credit for the return. Such credit will only be issued if, after Company’s receipt and inspection of Products, Company approves the return. Only those Products which have been in Customer’s inventory no more than 180 days from the date of shipment by Company and which are current, standard, non-obsolete, non-specially manufactured, unused, in their original condition as at the time of sale by Company to Customer, and are in their original packaging may be considered by Company for return. In the event Company approves a return, a credit will be made to Customer’s account less freight, and a handling and reprocessing charge of 35% of the net material value on the original invoice. Products requiring reconditioning to return the Products to a saleable condition may be credited to Customer’s account less freight and a handling and reprocessing charge of 50% of the net material value and less 2% for the cash discount allowance on the original invoice.

8. INTELLECTUAL PROPERTY OWNERSHIP AND ADVICE. (a) Nothing herein is a grant of a license or right under any specific patent or intellectual property asset of either party. With regard to intellectual property ownership, all intellectual property and related intellectual property rights (hereinafter “IP”) owned by one party before the date of this Agreement will remain owned by that party. All IP conceived, developed, or reduced to practice as part of this Agreement after the date and during the term of this Agreement shall be owned by the party creating the intellectual property if created by one party without the benefit of the other party’s IP. All IP created jointly will be owned by the parties jointly, in direct proportion to monetary contribution. The party that has a majority interest shall manage the jointly owned IP. Neither party shall disclose any of the other party’s IP to a third party without prior written consent. All intellectual property and related documents which are confidential shall remain subject to the terms and conditions of this Agreement for twenty (20) years from its effective date, unless such information is made public before this time expires.

(b) Company assumes no obligation or liability for any advice given by Company, the results obtained, or damages incurred, and all such advice is given and accepted at Customer’s risk.

9. LIMITED WARRANTY.

(a) Company's Standard Limited Warranty(ies) relating to *Products or Services* are applicable to this Agreement. The limited warranty(ies) are (i) attached to this Agreement; (ii) separately identified in the specific Product Price Book; or (iii) separately furnished by Company to Customer.

(b)(i) In the event that certain Product warranties are not attached to this Agreement or separately furnished, Company warrants only to Customer that Products will be free from defects in material and workmanship for a period of 12 months from the date of shipment of the Products. Company's sole obligation under this warranty is limited to repairing or replacing, at its option, the defective Products. (ii) The provisions of this limited Product warranty do not apply to Products: (A) used for the purposes for which they are not designed or intended; (B) which have been repaired or altered without Company's prior written consent; (C) which have been subjected to misuse, abuse, negligence, or accident; (D) which have been improperly stored, installed, maintained, or operated; (E) which have been used in violation of written instructions provided by Company to Customer; (F) which have subjected to improper temperature, humidity, or other environmental conditions; (G) which have been affected by normal wear and tear; or (H) which, based on Company's examination, do not disclose to Company's satisfaction nonconformance to the warranty.

(c)(i) In the event that certain Service warranties are not attached to this Agreement or separately furnished, Company warrants only to Customer that the Services will be free from defects in material and workmanship for a period of 6 months from the date of completion of the particular items of Service. Company's sole obligation under this warranty is limited to repairing or reperformance, at its option, of the Service; provided however, if repair or reperformance is either impractical or impossible, the Company will refund to Customer that portion of the price paid to the Company for the defective item of Service. This warranty only applies if the company is given written notice of the defect or nonconformance by the Customer within 30 days of discovery. (ii) The provisions of this limited Service warranty does not apply to any defects or issues with the design or performance of equipment or products not manufactured by Company, nor does it apply to any code compliance or permit requirements for the assembly, installation, erection, or construction of any goods.

(d) NO OTHER WARRANTIES, EXPRESS OR IMPLIED, ARE MADE WITH RESPECT TO THE PRODUCTS OR SERVICES INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

(e) The following costs and expenses are not covered by the provisions of these limited warranties: (i) labor costs for the removal and reinstallation of Products or other manufacturer's products; (ii) shipping and freight expenses required to return Products to Company; (iii) normal maintenance; and (iv) economic losses. In addition, the provisions of this warranty are not applicable to anything other than defects in Company's material (products only) or workmanship.

10. CUSTOMER'S REMEDIES. THE CUSTOMER'S EXCLUSIVE AND SOLE REMEDY ON ACCOUNT OF, OR IN RESPECT OF, THE FURNISHING OF PRODUCTS OR SERVICES THAT DO NOT CONFORM TO THIS AGREEMENT

WILL BE TO (A) SECURE REPAIR OR REPLACEMENT OF THE PRODUCTS; OR (B) SECURE REPAIR OR REPERFORMANCE OF THE SERVICES OR TO OBTAIN A REFUND OF THE PRICE PAID FOR THE DEFECTIVE SERVICE, ALL AT COMPANY'S OPTION. IN NO EVENT WILL THE COMPANY'S MAXIMUM LIABILITY EXCEED THE SELLING PRICE FOR THE PRODUCTS OR ITEM OF SERVICE.

11. LIMITATION OF LIABILITY. IN NO EVENT WILL COMPANY BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, INDIRECT, SPECIAL, OR PUNITIVE DAMAGES INCLUDING, BUT NOT LIMITED TO, LOSS OF USE OF THE PRODUCTS, SERVICE INTERRUPTION, LOSS OF PROFITS, LOSS OF REVENUE, INTEREST, LOST GOODWILL, WORK STOPPAGE, IMPAIRMENT OF OTHER GOODS, LOSS BY REASON OF SHUTDOWN OR NON-OPERATION, INCREASED EXPENSES OF OPERATION, OR CLAIMS OF CUSTOMER'S CUSTOMERS, WHETHER BASED ON CONTRACT, WARRANTY, TORT (INCLUDING, BUT NOT LIMITED TO, STRICT LIABILITY OR NEGLIGENCE), PATENT INFRINGEMENT, OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

12. STATUTE OF LIMITATIONS. NO ACTION ARISING OUT OF ANY CLAIMED BREACH OF THIS AGREEMENT BY COMPANY MAY BE BROUGHT BY CUSTOMER MORE THAN ONE (1) YEAR AFTER THE CAUSE OF ACTION HAS ARISEN.

13. CONSUMER PRODUCTS. With respect to “consumer products” as defined under the Magnuson-Moss Warranty Act (“MMWA”), the following statements are made. (a) Some states do not allow limitations on how long an implied warranty lasts, so the above limitation may not apply to you. **IF ANY IMPLIED WARRANTY IS PROVIDED UNDER THE MMWA, IT IS LIMITED TO THE DURATION OF THE WARRANTY PROVIDED IN SECTION 9 ABOVE.** (b) Some states do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation or exclusion may not apply to you. (c) This warranty gives you specific legal rights and you may also have other rights which vary from state to state.

14. FORCE MAJEURE. Any delay or failure of Company to perform its obligations hereunder will be excused to the extent that it is caused by an event or occurrence beyond its control such as, by way of example and not by way of limitation, acts of God, actions by any governmental authority (whether valid or invalid), governmental laws and regulations not presently in effect, fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, accidents, labor problems (including, but not limited to, lockouts, strikes, and slowdowns) at Company's facility, its source plant or their suppliers, inability to obtain power, material, labor equipment, or transportation, or court injunction or order. The delivery date will be extended for a time equal to that of the delay and the schedule for Company's performance will be deemed adjusted in the individual order(s) to that effect.

15. ENTIRE AGREEMENT AND AMENDMENT. This Agreement, together with any attachments or supplements specifically referenced in this Agreement, constitutes the entire agreement between the parties hereto and supersedes all previous communications, representations, or agreements, either oral or written, between the parties hereto with respect to the subject matter hereof. No agreement or understanding varying or expanding this Agreement will be binding upon either party hereto unless it is in writing and signed by a duly authorized representative thereof.

16. TERMINATION. (a) This Agreement may be terminated by either party by giving 30 days' written notice to the other party in the event of failure by such other party to fulfill any of its obligations hereunder. However, if during the period of such notice, such other party remedies such failure, this Agreement will continue with the same force and effect as if such notice had not been given. (b) This Agreement may be terminated upon the written mutual consent of the parties. (c) Either party may immediately terminate

this Agreement by giving written notice to the other party in the event of the happening of any of the following or any other comparable event: (i) insolvency of the other party; (ii) filing of a petition in bankruptcy by or against the other party; (iii) appointment of a receiver or trustee for the other party; or (iv) execution of an assignment for the benefit of creditors by the other party, all of which will allow Company to demand reclamation of all affected orders. (d) Except as provided in this section 16, Customer may not terminate this Agreement, in whole or in part, unless Company's prior written consent is obtained and Customer agrees to pay all of Company's cancellation charges.

17. GOVERNING LAW; VENUE; AND EXPENSES. (a) This Agreement and any disputes or controversies arising hereunder will be governed by and construed according to the internal laws of the State of Indiana, United States of America, without regard to its conflict of law principles, and not including the United Nations Convention on Contracts for the International Sale of Goods. (b) Jurisdiction and venue with respect to any action, proceeding, or suit in connection with this Agreement will reside in the courts of the State of Indiana. (c) Customer agrees to pay for all expenses (including attorney's fees) incurred by Company in enforcing the obligations of Customer under this Agreement.

18. COMPLIANCE WITH LAWS, EXPORT CONTROLS, CERTIFICATIONS, AND NUCLEAR LIABILITY. (a) This Agreement is be subject to, and Company and Customer will comply with, all laws and export controls, regulations, rules, orders, licenses, requirements, and governmental requests now or hereafter in effect in the United States of America that pertain to the Products or the initial sale of the Products or that pertain to Services. **Provided however**, Company is not responsible for obtaining or maintaining any permits for the performance of Services or the verification or compliance

with any code requirements relative to the performance of Services. To the extent any sale of Products or Services pursuant to this Agreement may require approval of the U.S. Government, Company's obligations under this Agreement are conditioned upon the grant of such approval and upon compliance by Customer with any restrictions imposed by the U.S. Government in connection with such approval. (b) Certain Products are noted by Company as tested by independent laboratories for compliance with UL and/or ANSI standards. Any and all modifications or alterations to such Products will void such certification, and Company is not liable to Customer to certify any modified or altered Product. (c) In the event the Products are to be used in a nuclear facility, the Customer shall, prior to such use, arrange for insurance or governmental indemnity protecting

Company against liability. The Customer hereby releases and agrees to indemnify Company and its suppliers for any nuclear damage including, but not limited to, loss of use, in any manner arising out of the nuclear incident, whether alleged to be due, in whole or in part by Company or its suppliers.

19. NO INDUCEMENTS. The parties hereto represent to each other and each agrees that, neither it nor any person acting on its behalf has, in contravention of any applicable law, given or offered to give, or will give or offer to give, any sum of money or other material consideration to any person, directly or indirectly, as an inducement to obtain business hereunder or to influence the granting of licenses or other governmental permissions to enter into this Agreement or perform obligations hereunder.

20. SEVERABILITY. If any provision of this Agreement is held to be invalid, illegal, or unenforceable under any statute, regulation, ordinance, executive order, or other rule of law, that provision will be deemed severed to the extent necessary to comply with such statute, regulation, ordinance, order, or rule. In the event such provision is deemed severed, the parties will negotiate in good faith to arrive at an alternative arrangement approximating the original business objective of the parties. The remaining terms and conditions of this Agreement will remain in effect.

21. NO IMPLIED WAIVER. The failure of either party at any time to require performance by the other party of any provision of this Agreement will in no way affect the right to require such performance at any time thereafter, nor will the waiver of either party of a breach of any provision of this Agreement constitute a waiver of any succeeding breach of the same or any other provision.

22. MISCELLANEOUS. (a) This Agreement does not constitute either party the agent or legal representative of the other party. Neither party is authorized to create any obligation on behalf of the other party including, but not limited to, the obligation for payment of any service or warranty obligation hereunder. (b) Neither this Agreement nor any right or obligation hereunder may be transferred or assigned by either party without the prior written approval of the other party, except that Company can transfer or assign this Agreement or any right or obligation (including, but not limited to the right to receive payments for any orders) to Ingersoll-Rand Company or an Ingersoll-Rand Company entity without first obtaining Customer's consent. (c) The rights and remedies herein reserved to Company will be cumulative and additional to any other or further rights and remedies provided at law or equity. (d) Customer does not have the right to setoff or to back charge against any amounts which become payable to Company under this Agreement or otherwise. (e) The official text of this Agreement is in the English language. If this Agreement is translated into another language, the English text will govern any question with respect to interpretation. (f) The headings in this Agreement are for convenience of reference only and do not affect the meaning of this Agreement in any manner.

23. DEFINITIONS. (a) "*Agreement*" means Ingersoll-Rand Company, Security Technologies Sector Terms and Conditions of Sale and Service. (b) "*Company*" means Ingersoll-Rand Company, Security Technologies Sector. (c) "*Customer*" means the Buyer. (d) "*Buyer*" means the purchaser of products or Services from Company. (e) "*U.S.*" means United States of America.

NOTE: Biometrics Products are NOT governed by the Terms & Conditions stated in the Electronic Security Price Book 20. Please consult the official Schlage biometrics price book for more details.

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