



TERMS AND CONDITIONS FOR PURCHASE ORDERS

These Terms and Conditions apply to all outstanding and future purchase orders (“Purchase Orders”) issued from ADT Security Services, Inc., Sensormatic Electronics Corporation, SimplexGrinnell LP, Scott Technologies, Inc., Tyco Safety Products (US), LLC or Ansul, Incorporated (each, a “US Buyer”); ADT Security Services Canada, Inc., Sensormatic Canada Incorporated, Tyco International of Canada Ltd. or Ansul Canada Limited (each, a “Canadian Buyer”); and any other Tyco Fire & Security company (each such Tyco Fire & Security purchaser, including US Buyers and Canadian Buyers, a “Buyer”) to sellers, vendors and suppliers (collectively referred to as “Seller”).

1. **Scope of Agreement.** These Terms and Conditions shall govern the purchase of products and services (collectively, “Products”) pursuant to Purchase Orders issued to Seller by Buyer, subject to any additional terms and conditions appearing on the face of Buyer’s Purchase Order. These Terms and Conditions may be amended by mutual agreement of the parties, which may be evidenced by exchange of written communications, including email proposal and acceptance by each party’s authorized representative. The authorized representative shall be the person executing this Agreement on behalf of the party, that person’s replacement, or any person authorized in writing (including email) by such person. Each of Buyer’s parent companies, subsidiaries, affiliates, and related companies, (e.g. including, but not limited to, Tyco Fire & Security companies), whether related by direct or indirect ownership or control (collectively, “Affiliates”), may also purchase Products from Seller hereunder for their own account on the same terms and conditions as are applicable to Buyer. Each Affiliate shall be separately liable for payment for Products and compliance with these Terms and Conditions, and neither Buyer nor any Affiliate shall be liable for the obligations of any other Affiliate under this Agreement.

2. **Purchase Orders.** A Purchase Order shall be deemed accepted by Seller in the event Seller fails to provide proper written notice of rejection within forty eight (48) hours of Buyer’s issuance of the Purchase Order. For EDI orders, in addition to these Terms and Conditions, Seller agrees to comply with the terms and conditions of the then-current version of Buyer’s EDI Supplier Handbook, a copy of which will be provided to Seller upon request. Purchase Orders, acknowledgments, confirmations and other notices between the parties may also be sent via facsimile. Any additional terms on any Seller form are objected to and rejected, and shall not be binding on or enforceable against Buyer.

3. **Software.** In the event the Products include or incorporate software developed, owned or licensed by Seller (“Software”), Seller hereby authorizes Buyer to sell, resell and or license the Software to Buyer’s customers. Use of the Software by Buyer’s end user customers shall be subject to Seller’s End User License Agreement, if applicable (the “EULA”). In the event Buyer’s end user customer reasonably objects to any provisions of the EULA, Seller shall cooperate in good faith with Buyer in making commercially reasonable modifications to the EULA. In the event Buyer’s end user customer requests that the source code for the Software be put into escrow, Seller agrees to deposit the source code into escrow upon terms mutually agreeable to the parties.

4. Shipping. Seller shall ship all Products to Buyer in new condition. Seller shall fill each Purchase Order in accordance with its terms and the provisions hereof. All Products shall be shipped to Buyer Ex-Works (Incoterms 2000) Seller's warehouse. Title and risk of loss shall pass to Buyer at the time the Products are delivered to the Buyer's carrier at the Ex-Works point. Seller shall convey to Buyer good title, free and clear of all liens and other security interests. Freight charges shall be billed by Buyer's designated carrier to Buyer's third party carrier account(s) (as designated by Buyer) unless otherwise specified in the Purchase Order. If Seller fails to deliver Products in accordance to the lead-time specified in these Terms and Conditions or the applicable Purchase Order, then Seller will be responsible for all premium freight charges and any other associated costs required to supply Product to Buyer as soon as possible.

5. Product Documentation. Seller shall enclose with each shipment of Products one (1) complete up to date set (in electronic or paper format) of its standard user and technical manuals setting forth pertinent information relating to the operation, installation and maintenance of Products, including all end user warranties and Product warnings, for each Product shipped (collectively, "Product Documentation"). No Product shall be deemed to be a "Conforming Product" hereunder until Buyer receives the corresponding Product Documentation therefor. Buyer shall have the right to use, reproduce, translate and disclose information contained in the Product Documentation to its customers for marketing, maintenance and repair of Products and for such other purposes as Buyer may reasonably determine.

6. Prices and Payment Terms.

a. Subject to the terms and conditions contained herein, Buyer will remit payment of the Purchase Price specified in the Purchase Order (less any applicable discounts or offsets) for each Conforming Product (as defined below) within sixty (60) days of the Invoice date, provided however that the Invoice date shall not be earlier than the date the Products are actually shipped from the Ex-Works point. All invoiced amounts shall be subject to a two percent (2%) early payment discount for all payments remitted by Buyer within fifteen (15) days of Buyer's receipt of such invoice.

b. Seller warrants that the Purchase Prices for the Products are not less favorable than those currently extended by Seller to any other customer for the same or similar Products in equal or lesser quantities.

c. The Purchase Price for each Product shall be all-inclusive and represents the sole and exclusive consideration to Seller hereunder for the Products or otherwise, except for (i) any freight costs for which Buyer is responsible under section 2 of these Terms and Conditions, and (ii) taxes that are measured directly by the Purchase Price payments made by Buyer hereunder and which Seller is legally required to collect and pay over to tax authorities. The taxes for which Buyer is responsible shall include sales, use and excise taxes, but shall exclude, without limitation, Seller's franchise or business taxes, taxes based on Seller's income or gross receipts and taxes for which Buyer is exempt by law as shown by a valid tax exemption certificate, when such a certificate is required.

7. Cancellation of Purchase Orders. Buyer may cancel any Purchase Order, in whole or in part, without further obligation or liability to Seller, at any time prior to Seller's shipment of the Products covered by such Purchase Order by providing Seller written or electronic notice of such cancellation.

8. Performance Warranty; Inspection; Acceptance

a. Performance Warranty. Seller hereby warrants to Buyer that for a period of thirty six (36) months following Buyer's acceptance of the Products hereunder (the "Warranty Period") such Product shall: (i) be fit for its intended purpose; (ii) be free from defects in materials, workmanship, and design; (iii) operate in conformity with the performance, functionality, and other specifications contained in its User Manual and Product Documentation; and (iv) conform to all specifications, drawings, and descriptions referenced or set forth in the applicable Purchase Order (collectively, the "Performance Warranty"). The Performance Warranty shall survive the termination and expiration of the Warranty Period with respect to any claim made by Buyer prior to such termination or expiration. Notwithstanding anything contained herein to the contrary, Buyer may, at its option, assign or otherwise transfer the Performance Warranty, in whole or in part, on any particular Product(s) to any of Buyer's customers; whereupon (A) such customer may enforce such Performance Warranty against Seller on, in, and for such customer's own behalf, name, and benefit, and (B) Buyer may enforce such Performance Warranty against Seller on, in, and for Buyer's or such customer's behalf, name, or benefit.

b. Warranty Obligations. During the Warranty Period, Seller shall, at no additional cost to Buyer, credit or replace at Buyer's option any Product that fails to conform to its Performance Warranty in any respect whatsoever (each, a "Defective Product"). If Buyer's option is for credit, Seller shall grant Buyer a credit equal to the full amount of the Purchase Price originally paid by Buyer for the Product. If Buyer's option is to replace such Product, the replacement Product must conform to the Performance Warranty in all respects ("Conforming Product(s)"). Replacement Products must be new product; no repaired product will be accepted. Seller shall replace, at the Buyer's option, each Defective Product and redeliver a Conforming Product to Buyer as soon as possible, and in all events no later than five (5) days of Seller's receipt of each Defective Product. In the event that Seller fails to do so, Buyer shall be entitled to an immediate and full refund of the Purchase Price paid to Seller for such Defective Product. All return shipments of Defective Products to Seller shall be at Seller's sole cost, risk, and expense. Seller shall bear all shipping cost for warranty returns and replacements. Seller shall bear all reasonable direct costs and expenses incurred by Buyer to replace a Defective Product with a Conforming Product, including, but not limited to, labor and travel expenses. Buyer has the right to return Product on a per occurrence basis. No minimum quantity shall be required for returns. At the end of the Warranty Period the Seller will make available to the Buyer any technical documentation (including schematic diagrams), repair parts and training for Buyer technicians as may be reasonably required to permit Buyer to maintain and repair the Products.

c. Excessive Failure Rates; Recalls. As part of the Performance Warranty, if (a) any of Seller's Product experiences greater than 3% failure rate within any consecutive ninety (90) day period after shipment of such Product(s) to Buyer, or (b) any Product is subject to a mandatory or voluntary recall issued by Seller, Seller shall reimburse Buyer for any

commercially reasonable and documented direct service labor costs required to remedy problems at Buyer's customers due to said defect(s), including but are not limited to, service calls, priority shipping costs and replacement products, provided further that Buyer provides to Seller (i) reasonable documentation to Seller demonstrating that the Products are defective for failing to comply with Seller's warranty hereunder and not due to misuse, abuse, improper installation or other causes not attributable to Seller; and (ii) a reasonable opportunity to inspect the Defective Products to confirm compliance with the foregoing terms.

d. Inspection. All Products shall be subject to inspection and testing by Buyer prior to acceptance and payment of the Purchase Price therefor. Any Product requiring installation shall not be deemed finally accepted until Buyer establishes that such Product conforms to the Performance Warranty through installation, inspection, or use thereof. The Performance Warranty on each Product shall survive any testing, inspection, delivery, payment, and acceptance of any Product by Buyer.

e. Excess and Premature Product. Buyer shall not be obligated to accept or pay for: (i) any Products in excess of the quantity ordered in its Purchase Order ("Excess Product(s)"), (ii) Products that have been discontinued while in transit, or (iii) deliveries arriving more than five (5) days in advance of the Delivery Date specified on the Purchase Order ("Premature Product(s)").

f. Support for Discontinued Products. Seller shall continue to offer Product support to repair and/or provide service parts for a period of five (5) years beginning with the date the Product is discontinued or no longer offered for sale by Seller.

g. Rights and Remedies. No payment shall be due hereunder for any amount invoiced for any Defective Product, Excess Product, Premature Product, or any Product not received at the Delivery Location by the Delivery Date ("Undelivered Product(s)"). Nothing herein shall limit Buyer's right to cancel Purchase Orders for Defective Products and undelivered Products hereunder or Buyer's right to revoke its acceptance of any Defective Product under this Agreement or applicable law. All of Buyer's rights and remedies under this Section for Defective Products shall be in addition to, and cumulative with, Buyer's other rights and remedies under this Agreement, at law, or in equity.

9. Term and Termination.

a. Term. Unless terminated earlier as provided herein, this Agreement shall have an initial term of twelve (12) months, commencing on the Effective Date (the "Initial Term"). After expiration of the Initial Term, this Agreement shall automatically renew on the terms and conditions contained herein for successive twelve (12) month periods, the "Renewal Term," each commencing on the anniversary date of the Effective Date (each, an "Anniversary Date"), unless either party gives written notice of non-renewal no less than sixty (60) days prior to expiration of the then current Term. The Initial Term, taken together with any Renewal Term, shall be referred to herein as the "Term," and each successive twelve (12) month period of the Term commencing on the Effective Date and each Anniversary Date thereafter shall be referred to herein as a "Year."

b. Default. The occurrence of any of the following constitutes a breach and is a cause for Buyer's termination of this Purchase Order: (i) Seller fails to deliver Products by the Delivery Date specified on the Purchase Order; (ii) Products do not conform to the applicable descriptions or specifications; and (iii) Seller fails to perform any material provision of these Terms and Conditions and fails to cure such default within fifteen (15) days after receiving written notice of default from Buyer.

10. Indemnification. Seller agrees to defend, indemnify and hold Buyer harmless from and against damages, losses, claims, costs and expenses (including reasonable attorneys fees) related to any third party claims against Buyer arising out of (a) any allegation that any Product infringes any patent, copyright, trademark, trade secret or other intellectual property right of a third party and (b) any personal injury, wrongful death or property damage alleged to have been caused by the negligence of Seller or a defect in a Product. Buyer shall give Seller prompt notice of any such claims ("Claims"), and permit Seller to control the defense and settlement of Claims, and reasonably cooperate with Seller in connection with the defense and settlement of Claims. The foregoing indemnification obligations shall not be limited by the amount or existence of insurance maintained or provided by Seller.

11. Insurance. Seller agrees to obtain and maintain the following insurance policies at Seller's sole cost and expense (collectively, "Insurance Policies"):

a. Commercial General Liability Insurance written on ISO occurrence form CG 00 01 96 (or equivalent coverage form), covering Liability for property damage, personal injury, and death arising out of operations, products-completed operations, independent contractors, and containing broad form contractual liability coverage, with minimum limits of \$10 million per occurrence (the "CGL Policy");

b. Automobile Liability Insurance written on ISO Business Auto Form CA 00 07 979 (or equivalent coverage form) covering Liability arising out of any auto (including owned, hired, and non-owned autos) with minimum limits of \$1 million per occurrence combined single limit (the "Auto Liability Policy");

c. Statutory Workers' Compensation insurance as required by applicable law (including an "all states" endorsement for Sellers with U.S. operations) (the "Workers' Compensation Policy"); and

d. Employer's Liability Insurance with minimum limits of \$100,000 for each accident, \$100,000 for each disease, and \$500,000 for each employee (the "Employers Liability Policy").

12. Insurance Policy Requirements. Buyer shall be named as an additional insured on the CGL Policy and Auto Liability Policy for all operations of Seller hereunder and for all Liability for which Seller is responsible under this Agreement. The CGL Policy and Auto Liability Policy shall contain standard cross liability clauses, and Seller shall cause such policies to be endorsed to provide contractual liability coverage specifically covering this Agreement as an insured contract, if necessary, to obtain coverage of this Agreement thereunder. The Workers Compensation Policy and Employers Liability Policy shall each be endorsed to waive any right

of subrogation against Buyer. All Insurance Policies shall: (i) be primary without right of contribution from any insurance maintained by Buyer; (ii) be issued by duly qualified insurance carriers reasonably satisfactory to Buyer; and (iii) require that Buyer be given at least thirty (30) days prior written notice of cancellation, non-renewal, or any material change therein. Contemporaneously with Seller's execution of this Agreement, Seller shall deliver to Buyer Certificates of Insurance evidencing the Insurance Policies required by this Agreement.

13. Time of the Essence. Seller acknowledges and agrees that time is of the essence with respect to Seller's performance under this Agreement.

14. Waiver. No waiver of any provision of these Terms and Conditions (or any right or default hereunder) shall be effective unless in writing and signed by the party against whom such waiver is sought to be enforced. Any such waiver shall be effective only for the instance given, and shall not operate as a waiver with respect to any other rights or obligations under this Agreement or applicable law in connection with any other instances or circumstances.

15. Choice of Law. Except with respect to Purchase Orders issued by Canadian Buyers, (i) this Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without reference to its choice of law rules and (ii) any claim or litigation brought under or relating to this Agreement shall be brought in a court of competent jurisdiction located in Palm Beach County, Florida. With respect to Purchase Orders issued by Canadian Buyers, (i) this Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and (ii) any claim or litigation brought under or relating to this Agreement shall be brought in a court of competent jurisdiction located in Metropolitan Toronto, Ontario, Canada. In all cases, the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement or purchases hereunder.

16. Assignment. Neither these Terms and Conditions, nor any Purchase Order, nor any interest under either of them may be assigned or delegated by Seller without the prior written consent of Buyer.

17. Publicity. Seller shall not, without the prior written consent of Buyer, advertise or otherwise disclose that Buyer has entered into this Agreement or has placed any orders with Seller. Seller shall not use Buyer's name or trademark in any press release, marketing or advertising materials without Buyer's prior written consent.

18. Specifications. All specifications, documents and prototype articles delivered by Buyer to Seller are the property of Buyer. They are delivered solely for the purpose of Seller's performance of this order and on the express condition that neither they nor the information contained therein shall be disclosed to others nor used for any purpose other than in connection with this order without the prior written consent of Buyer. Such specifications, documents and articles shall be returned to Buyer promptly upon Buyer's request. Such request may be made at any time during or after completion of Seller's performance.

19. Compliance with Laws. Each party shall perform its obligations hereunder in compliance with all applicable laws, regulations, and other legal requirements, including but not limited to laws related to restrictions on the use of certain hazardous substances in electrical and

electronic equipment, such as RoHS, WEEE, etc. In the event the Products are for resale or ultimate use by the U.S. Government, Seller shall comply with the following provisions of the Federal Acquisition Regulation (FAR), 48 CFR Part 52, pertaining to Utilization of Small Business Concerns, Equal Opportunity, Affirmative Action, and Veterans Employment: 52.219-8; 52.222-26; 52.222-35; 52.222-36; and 52.222-37.

20. Diversity. Seller acknowledges that diversity among the suppliers from whom Buyer purchases goods and services is important to Buyer. As such, if Seller is fulfilling a Purchase Order issued by a US Buyer and Seller has operations in the United States, Seller will make good faith efforts to purchase seven percent (7%) of purchased goods and services provided under this Agreement from Minority-owned Business Enterprises ("MBE") and three percent (3%) from Woman-owned Business Enterprises ("WBE"). For the purposes of this provision, MBE and WBE shall be defined by the United States Small Business Administration. Seller acknowledges that Buyer may provide the names of potential MBEs and WBEs for it to consider in fulfilling the terms of this provision. Seller has agreed to consider utilizing such MBEs and WBEs in connection with this Agreement. Seller may be asked to participate in outreach efforts such as conferences and trade shows.

21. Entire Agreement. These Terms and Conditions, together with Purchase Orders issued hereunder, constitute the final and entire agreement between Buyer and Seller with respect to the purchase of the Products and supersede any terms and conditions in any acknowledgement form, invoice or other document of Seller. These Terms and Conditions may be amended only by a written instrument duly executed by both parties, and may not be amended orally or course of performance.

22. Language. The parties have expressly required that these Terms and Conditions and the applicable Purchaser Order(s) be prepared in the English language. Les parties aux présentes ont expressément exigé que les présents termes et les bons de commandes émis aux termes des présentes soient rédigés en langue anglaise.