

Sales and Delivery Terms and Conditions of ASSA ABLOY Sicherheitstechnik GmbH

1. General

1.1 For all our future deliveries and quotations to contractors, legal persons in public law and public assets as defined by §310 Para. 1 BGB [German Civil Code] the following sales and delivery terms shall apply exclusively (hereinafter "GTC"). They shall be accepted by the ordering party with the order placement, at the latest however on receipt of the first delivery and shall apply for the duration of the business relationship.

1.2 Deviating conditions of the ordering party are herewith expressly rejected; these shall not be regarded as accepted even on execution of the order. Additions, amendments or subsidiary agreements are subject to written confirmation.

1.3. For all our future deliveries to resellers, the "ASSA ABLOY Sicherheitstechnik GmbH Special Terms and Conditions for Resellers" as amended (hereinafter: "special terms and conditions") shall apply in addition to these General Terms and Conditions. These Special Terms and Conditions may be accessed online on www.assaabloy.de. If required, we can also provide these special terms and conditions in written form.

2. Quotations

2.1 Our quotations, details in brochures, advertisements and other publications are – also with respect to the price specifications – always non-binding and subject to confirmation insofar as we have not expressly designated them as a binding offer.

2.2 The contract only comes into force with our written order confirmation. If an order confirmation is not dispatched, the contract shall come into force in any case with the delivery together with our GTC and the content of our invoice.

2.3 We shall be entitled during the delivery period to make production or design-related changes to the goods without prior notification insofar as these do not contain changes unacceptable to the contracting party.

2.4 The documentation associated with the quotation such as drawings, data sheets, illustrations, plans etc. do not contain a binding description of the nature of the goods. They are only definitive for the contractual nature of the delivery or service when or insofar as they are expressly designated as definitive. The documents shall remain our property and we reserve all rights to them. They must not be made accessible to third parties without our prior written consent and are to be returned to us again at any time on demand.

3. Prices and payment

3.1 The unit prices of the price list valid on the day of delivery shall apply. With the publishing of a new price list all previous price lists do not apply. All prices apply ex works plus the legal rate of VAT and the packaging costs customary for the trade. The ordering party shall bear all incidental costs in particular for shipping and transport insurance that we only refrain from arranging by express agreement.

3.2 Our invoices shall be due and payable on receipt and also in the case of partial deliveries. Payment is to be carried out if possible by bank transfer to the account detailed in the invoice and also with reference to the invoice number. Costs arising from infringement of this contractual secondary obligation shall be borne by the ordering party. All other types of payment are only permitted if agreed in writing on placing of an order. Cheques are only accepted against payment and are not credited against your account until after clearing.

3.3 Cash discount deductions require a separate agreement. The right to a cash discount deduction however is cancelled automatically if we have further claims against the ordering party from our business relationship that have been due for more than 14 days.

3.4 For all orders where the delivery in accordance with the contract or on request of the contracting body is carried out later than four months after the order placement, we shall be entitled to pass on material and wage price increases within the scope of, and to compensate for, these price increases between the setting up of the contract and delivery to the contracting party.

3.5 In case of defaults on payment we shall be, without prejudice to further claims, entitled to calculate interest at the amount of 8 percentage points above the base interest rate.

3.6 In case of defaults in payment and also of justified concern of a significant deterioration in the financial position or insolvency of the contracting party we may suspend delivery or at our discretion demand immediate advance payment of all receivables – even those not due – including deferred and such from bills of exchange or corresponding securities. Should the contracting party not comply with the demands for advance payment of a security deposit within an appropriate period set by us, we shall have the right to withdraw from all contracts and charge the contracting party for all costs that have arisen and will arise to

Sales and Delivery Terms and Conditions of ASSA ABLOY Sicherheitstechnik GmbH

us and also lost profit. The rights in accordance with the Insolvency Act remain unaffected.

4. Delivery by instalments / partial delivery / long-term contracts

4.1 For contracts for delivery by instalments the ordering party commits to call-off the relevant partial amount to be delivered by us in good time specified by type, range and variety. For call-off orders without agreement on duration, production batch sizes and acceptance dates, we can demand a binding acceptance commitment at the latest three months after the order confirmation. Should the ordering party not meet his obligations from Clauses 1 and 2 even within the appropriate extension period to be set by us, we shall be entitled to determine the partial amount ourselves and to deliver or to withdraw from the unfulfilled part of the contract and claim damages.

4.2 We are also entitled to make partial deliveries even without special agreement in a reasonable volume. Partial deliveries are invoiced separately.

4.3 Contracts for an unlimited period may be terminated with period of notice of 12 months.

Should a significant change in the wages, materials or energy costs arise in the case of long-term contracts (contracts with a term of more than 12 months or contracts for an unlimited period), we shall be entitled to make an appropriate adjustment to the prices in consideration of these factors. On demand we will show evidence of this to the contracting party.

5. Delivery / risk assumption / delivery deadlines

5.1 For the scope of the delivery our written invoice is definitive. In the absence of a special agreement the dispatch method is at our discretion.

5.2 The title is transferred to the ordering party at the latest with the dispatch ex works. This applies also when partial deliveries are carried out. If the delivery is delayed for reasons that are to be attributed to the ordering party, default of acceptance and transfer of title occur as soon as we have informed the ordering party of the readiness for dispatch.

5.3 In particular delivery deadlines are to be agreed. Delivery deadlines contained in quotations are non-binding. If a delivery deadline is agreed in writing, it shall begin with the date of the signing of the contract – or with telephone or written orders – with the date of our order

confirmation, in no case however before clarification of all technical questions and not before the receipt by us of any possible payment on account of the contracting party. For compliance with the delivery deadline, dispatch at the correct time should suffice. The compliance with the delivery deadline by us assumes in every case the fulfilment of the contractual obligations by the contracting party. The delivery deadline is complied with if by its expiry the object of the delivery has left the factory or readiness for dispatch has been notified.

5.4 Should, on our side, or with our upstream suppliers, events occur that are outside our control e.g. force majeure, government intervention, import or export embargoes, industrial action in our own or others' businesses, delay or failure of the delivery of essential raw materials, materials or parts, machine breakdown or power failure, the delivery deadline shall be appropriately extended – even with an existing delay in delivery. The event is to be notified to the ordering party without delay. There is no liability from us for the duration of the events listed above and for damage and consequential damage caused by them.

This also applies if information, cooperation or final product requirements on the part of our ordering party that are necessary for the dispatch or delivery of the goods do not reach us until after the dispatch of the order confirmation.

If, despite supply contracts signed by us in good time with the required diligence, suppliers finally do not supply us or do not completely supply us without fault on our part, we shall be entitled in this respect to withdraw from the contract with the ordering party. There is no liability from us for damage and consequential damage caused by this. For non-compliance with the delivery deadlines the ordering party is entitled to the rights from §§281, 323 BGB only when he has set us an appropriate extension of deadline for delivery. For call-offs of a partial amount and for partial deliveries it shall be assumed that the ordering party is interested in the partial delivery.

5.5 It shall be understood that the ordering party is obliged to check if the goods acquired by him require an export licence and are subject to export controls. The ordering party shall undertake to obtain the required export and import approvals and licences at his own expense.

Information and licences are issued in accordance with German law by the Bundesamt für Wirtschaft und Ausfuhrkontrolle (BAFA) [Federal Office for the Economy and

Sales and Delivery Terms and Conditions of ASSA ABLOY Sicherheitstechnik GmbH

Export Control] in Eschborn. The refusal of an export licence does not authorise the ordering party to withdraw from the contract or to damages claims.

Even without our express notification, in cases of doubt all delivered goods require an export licence and on the basis of national, European or international provisions or export control regulations. Such products or any copies of such products must not be used for military purposes or civil or military nuclear technology activities. In particular they must not be used for any activities that serve for the development or production of chemical or biological weapons.

The ordering party shall recognize German, European and international export control provisions and limitations and shall undertake not to sell, export, re-export, supply or otherwise pass on such products or technical information either directly or indirectly to persons, companies or countries insofar as this infringes German, European or international laws or regulations. It indemnifies us in this respect from any liability.

5.6 Should the ordering party fall into arrears with the acceptance of even only a partial delivery, we are entitled after the expiry of a period of at least two weeks to be set by us, to withdraw from the whole contract or from parts or to demand damages because of non-fulfilment with respect to the whole contract or parts of it. If we demand damages because of non-fulfilment, the damages to be compensated for shall be a flat-rate of 20% of the purchase price plus any VAT if we do not show the ordering party evidence of a higher or lower loss.

6. Offsetting

Offsetting against our claims is only allowable with an undisputed or legally validated counterclaim. The assertion of withholding rights of the ordering party that are not based on the same contractual relationship is excluded.

7. Retention of title

7.1 All goods supplied by us remain our property until all of our current and future claims from the business relationship are fulfilled. This also applies when individual or all our claims have been incorporated into a running account and the balance has been drawn and recognized.

7.2 The ordering party is obliged to treat the purchase item with care as long as the ownership has not been completely transferred to him. In particular he is obliged to insure such at his own expense against theft, fire and water damage

sufficiently for replacement value. If maintenance and inspection work has to be carried out, the ordering party has to carry these out at his own expense in good time.

7.3 The ordering party shall only be entitled to resale of the goods subject to reservation of title in the ordinary course of business if he hereby assigns to us all claims that accrue to him from the further processing against the purchaser or against third parties. If goods subject to reservation of title are sold unprocessed or after processing or combination with objects that are exclusively in the ownership of the ordering party, the ordering party shall then assign at that point the claims arising from the resale in full to us. If the goods subject to reservation of title are sold by the ordering party – after processing/combination – together with goods not belonging to the ordering party, at that point the ordering party shall assign to us the claims arising from the resale in the amount of the value of the goods subject to reservation of title with all ancillary rights and any priorities of rank in relation to any other claims. We shall accept the assignation.

The ordinary course of business ends with the suspension of payment or with application for the opening of insolvency proceedings on the assets of the ordering party.

The contracting party is entitled to recovery of these debts even after assignation until cancellation by us. Our right to recover the debt ourselves remains unaffected by this; however we undertake not to recover the debts as long as the contracting party meets his payment and other obligations properly. We can demand that the contracting party notifies us of the assigned claims and their debtors, gives all details necessary for collection, hands over the documents relevant to them and notifies the debtors of the assignation. Should the ordering party not meet his duty of notification within an appropriate period of time set by us, we shall be entitled to notify the debtor ourselves of the assignation.

The ordering party no longer meets his obligations appropriately as a rule when

- he falls behind with the payment of our claims at the amount of 50% of the actual claims,
- he is in culpable breach of other not insignificant obligations from this contract,
- bills of exchange or cheques against the ordering party are being protested or
- enforcement proceedings are being initiated against him.

Sales and Delivery Terms and Conditions of ASSA ABLOY Sicherheitstechnik GmbH

7.4 The ordering party is undertaking a possible treatment or processing of the goods subject to reservation of title for us without obligations arising therefrom for us. In processing, combining, mixing or commingling of the goods subject to reservation of title with other goods not belonging to the ordering party we are entitled to the co-ownership share arising therefrom in the new item in the ratio of the value of the goods subject to reservation of title to the other processed goods at the time of the processing, combining, mixing or commingling. If the ordering party acquires the sole ownership of the new item, the contractual partners shall be agreed that the ordering party concedes to us co-ownership of the new item in the ratio of the value of the processed or combined, mixed or commingled goods subject to reservation of title and keeps this safe for us free of charge.

7.5 To the extent that the realisable value of all collateral rights to which we are entitled according to this section exceeds the amount of all secured claims by more than 20%, we are obliged on the request of the ordering party to release the exceeding part of the collateral.

7.6 The ordering party may only pledge the delivery goods or assign as collateral with our express agreement. On impairment of our collateral rights by third parties, in particular on confiscation or garnishment of deliveries and/or claims the ordering party has to inform us immediately with remittance of the documents at his disposal (such as e.g. garnishment records etc.) and notify third parties of our collateral rights. The ordering party is obliged to reimburse the costs arising for the defensive measures necessary through the impairment of our collateral rights.

7.7 On imminent suspension of payment, insolvency or negative information that points to a significant deterioration of the asset situation of the contracting party, we shall be entitled to take the goods subject to reservation of title; the ordering party shall herewith give his agreement irrevocably and unconditionally to the restitution. The same applies to the cases named under Clause 7.3 paragraph 4.

8. Warranty/manufacturer's recourse

8.1 Warranty rights of the ordering party assume that he has duly met his duty of inspection and non-conformity notification in accordance with §337 HGB. Obvious defects are to be registered in writing without delay, at the latest within 14 days after delivery. Concealed defects are similarly to be registered in writing without delay at the latest within 12 months after the arrival of the delivery. If an inspection of the goods or a first sampling was agreed,

the registering of defects that the contracting party could have established by careful inspection or first sampling is excluded.

8.2 Liability for defects is time-barred 12 months after delivery of new goods supplied by us at the ordering party's premises. That does not apply to the extent that the law in accordance with §438 Para. 1 No. 2 BGB (construction and construction material), §479 Para. 1 BGB (Right of recourse) and §634a Para. 1 BGB (construction defects) mandatorily stipulates longer periods of time. Furthermore, Para. 1 does not apply if we or our vicarious agents can be charged with intent or gross negligence or bodily injury, injury to health or the death of the ordering party can be attributed to us.

8.3 Should, despite all the care taken, the delivered goods show a defect that was already present at the moment of the transfer of risks then we shall elect to repair the goods subject to timely notification of defects within a reasonable period or deliver substitute goods (supplementary performance). The ordering party is obliged to give us the opportunity to examine rejected goods. Rights of recourse remain unaffected by the above regulation. We are entitled to change from one type to the other at each supplementary performance attempt. Clause 2.3 applies correspondingly within the scope of the warranty.

8.4 The ordering party must at our request give the goods back to us for rectification of defects. The goods must be complete, correctly packed and labelled, including serial and model numbers. Customs duties must be paid on goods returned from abroad. Furthermore a copy of the delivery note and also the order confirmation and invoice numbers are to be given. At our choice we can also carry out the defect rectification at the premises of the contracting party or his end customer.

8.5 If the supplementary performance fails or if we allow a suitable deadline extension for the performance set in writing by the ordering party to elapse without rectifying the defect, the ordering party can – without prejudice to any claims for damages – withdraw from the contract or reduce the purchase price. The supplementary performance is considered to have failed only after the third unsuccessful attempt insofar as we do not insist on a third attempt clearly without justification.

8.6 Warranty for all effeff parts assumes that switchboards or switching devices of the effeff brand are used for control/monitoring purposes, insofar as the ordering party

Sales and Delivery Terms and Conditions of ASSA ABLOY Sicherheitstechnik GmbH

does not prove that the defect is not caused by the control/monitoring unit.

8.7. For parts not manufactured by us we accept liability under warranty only within the warranty terms granted to us by our sub-suppliers.

8.8 Warranty claims shall not be considered to exist with only slight deviations from the agreed condition, with only slight impairment of usability, with natural wear and tear and by damage that arises after the transfer of risk as a consequence of incorrect or negligent treatment, excessive use, chemical, electrochemical or electrical influences, unsuitable resources, poor construction work, unsuitable construction site or because of particular external influences that are not provided for in the contract. If maintenance work or changes have been carried out inappropriately out by the ordering party or by third parties without our permission, warranty claims similarly do not exist for these and any consequences arising from them.

8.9 Claims of the ordering party because of the expenses required for the purpose of the supplementary performance, in particular, transport, travel, work and material costs are excluded, to the extent that the expenses increase because the goods supplied by us have been brought subsequently to a place other than the location of the contracting party insofar as the transfer does not correspond to its intended use.

8.10 Rights of recourse of the ordering party against us exist only to the extent that the ordering party has not made with his purchaser any agreements going beyond the legally mandatory warranty claims. For the scope of the right of recourse of the contracting party against us, Clause 8.9 applies in addition correspondingly.

8.11 In the future too we shall meet the demands for technical advances and innovations therefore we reserve the right to make design modifications. Illustrations may thus in individual cases also vary from the actual products delivered. Despite the greatest of care, printing errors or mistakes may be made. ASSA ABLOY accepts no responsibility in such cases and will not enter into any obligations of any kind. No responsibility is taken for the correctness of any safety regulations reproduced.

9. Return of goods

If we, without having an obligation towards the ordering party, agree to the return of goods we are entitled without any particular evidence to a cost flat-rate of 20% of the net

invoice amount apportionable thereto plus VAT to the extent that we can demonstrate no higher damage to the contracting party or the contracting party can demonstrate no lower damage to us. The ordering party is required to send the goods back to the address given in the invoice in a manner providing protection against typical transport damage carriage and charges paid. Customs duties must be paid on goods returned from abroad.

10. Software

10.1 For software including all documentation that belongs to the scope of the delivery we grant the ordering party, insofar as nothing else is expressly agreed, a non-exclusive, non-transferable and limited to the duration of the contract, right of use to the extent that is required for a contractual use. Amendments, enhancements or other adaptations and the transfer to third persons outside the use in accordance with the provisions are prohibited.

10.2 We are in particular entitled as the author of the software to assert the rights from §§69a ff. German Copyright Act. The ordering party shall not be entitled without our express written agreement to undertake the acts named in §69c of the German Copyright Act. Both §§69d and 69e German Copyright Act remain unaffected hereby.

10.3 On the ending of the cooperation the ordering party is obliged to immediately suspend use of the software and to delete all programs and program components relating to it without delay. He is obliged to demonstrate the deletion in a suitable form on corresponding request.

11. Use of trademarks and advertising materials

The approval for the use of text, pictures, drawings, illustrations, labels and other advertising media (hereinafter „content“) provided by us is issued exclusively under the following terms and conditions:

11.1 All content – unless expressly designated otherwise – forms the subject of existing property rights in favour of us. Any reproduction, distribution, storing, transmission, broadcasting, retrieval or sharing and making publicly available of the content is expressly prohibited without our written consent. This shall exclude the use of content made available for business purposes, if and to the extent that the use is in conjunction with an activity relating to the distribution and / or sale of our products or services or other products such as for example IKON products. Content which is marked online with the note “download” or which has been made available by us in another way within the scope of distribution, may not be

Sales and Delivery Terms and Conditions of ASSA ABLOY Sicherheitstechnik GmbH

used against this background for own distribution and / or for other own promotional purposes. Any contrary use is prohibited.

11.2 The content may only be used in a way which does not run contrary to the interests of our company. It is especially forbidden to use the content in a way damaging to our reputation or the products attributed to us.

11.3 Any handling of content transmitted by us in a differing form is subject to the express condition of our written release and approval of specifically intended use. There is also an obligation to notify us in advance of the intended use while including a sample. In the event of breach of this obligation, we are authorised to withdraw the authorisation of use without delay. Further claims are reserved.

11.4 The use of content has to take place stating the source with the following note: "Source: ASSA ABLOY Sicherheitstechnik GmbH". This note can be replaced with the reference "By courtesy of ASSA ABLOY Sicherheitstechnik GmbH".

11.5 We reserve the right to withdraw the approval for use of content at any time.

11.6 The ordering party is obliged, without prejudice to Clause 11.4 to indicate any advertising measure carried out by him as his own measure. All legal regulations shall be observed and adhered to.

11.7 We are not responsible for ordering party's own advertising messages, which are not in line with content provided by us or other declarations by us.

11.8 The use of our trademarks, including the product brand e.g. IKON, is subject to the following terms and conditions:

- a) If our trademarks appear in the content that has been made available, their use is allowed as part of the contents provided that the provisions relating to the use of the content are adhered to.
- b) Moreover, our trademarks may only be used within the scope of what is legally admissible for the distribution of and the advertising for products, which are designated with these brands and have been placed into circulation with our consent. The right to use the brand does not in particular cover the use of brands for internet identification information/addresses (domains).
- c) Any remaining or other use of our brands requires prior written consent. Variations of the brands are not

permitted, however small, without our prior written consent.

- d) In the case of modification of our brands the use of the existing brands must be stopped immediately and an adaptation of the brand use made. An exception is the sales promotions of products, which are identified with the original brands and have been placed in circulation with our consent.

11.9 The contracting party is responsible that the actual use of the content brought about by him does not infringe any rights of third parties and completely exempts us from all claims concerning this matter. This exemption similarly applies with respect to infringements against the obligations contained in Clauses 11.1 to 11.8.

12. Restriction of liability

12.1 We accept liability for damages in accordance with the legal provisions for injury to persons and for damage in accordance with the Product Liability Act.

12.2 For other damages we accept liability exclusively in compliance with the following provisions:

- a) We accept liability in accordance with the legal provisions for damages that are caused through malicious behaviour and also for damage that was caused with intent or through gross negligence of our legal representatives or managerial staff.
- b) We accept liability for damages limited to the damage reasonably foreseeable for this type of contract for losses from slightly negligent infringement of significant contractual duties or cardinal obligations (1st alternative) and for damages that were caused by our simple vicarious agents with gross negligence or intent without infringement of essential contractual obligations or cardinal obligations (2nd alternative).

Cardinal obligations are such obligations that initially enable the proper execution of the contract and therefore in which the contract partner trusts and may trust their fulfilment.

- c) We do not accept liability within the scope of 11.2 letter b) 1st alternative of this paragraph for lost profit, collateral damages, consequential damages and third party claims.

12.3 Contributory negligence of the contracting party, in particular the executing of insufficient cooperation duties,

Sales and Delivery Terms and Conditions of ASSA ABLOY Sicherheitstechnik GmbH

organisation failures or any other infringement against secondary obligations will reduce the amount of any claim for damages.

12.4 For each individual case our liability is limited to three times the invoice amount of all deliveries and services that form the basis of the relevant purchase order or work order of the contracting party insofar as the contracting party cannot show evidence of higher damages.

12.5 Apart from that our liability is excluded.

12.6 The contracting party is obliged to notify us immediately in writing of any damage within the meaning of the previous liability regulations or allow them to be recorded by us so that we are informed at an early stage and if necessary can take measures for damage limitation, if applicable together with contracting party.

13. Product support services

With voluntary and unpaid product support services towards third parties that are contract partners of the ordering party, the contracting party acts as vicarious agent of the ordering party in the fulfilment of the duties of the ordering party. The ordering party shall undertake to inform the third party of this circumstance before the execution of the product support services. In each case the contractual scope of services of the contracting party towards the ordering party will not be extended by these product support services. The ordering party shall exempt the contracting party from all liability towards the third party.

14. Data processing clause

The ordering party is advised that the contracting party in closer compliance with the relevant, valid and legal stipulations collects, processes, uses and hands over to third parties personal data of the ordering party and also as the case may be of his staff participating in the execution of the services to the extent this is required or otherwise permitted according to legal regulations for the establishment of the contractual relationship, the proper provision of the services and invoicing.

15. Forwarding of customer and payment data.

The customer consents to ASSA ABLOY Sicherheitstechnik GmbH passing on data originating from the business relationship, where appropriate, to D&B Deutschland GmbH, Darmstadt, as well as to companies affiliated with D&B. Such data also includes information about payment behaviour and/or failure to meet contract obligations (e.g. non-payment of unfulfilled and uncontested debts, in spite

of them being becoming due). This consent shall at the same time be regarded as notification in accordance with §33 Abs. 1 BDSG.

16. Place of Performance and Court of Jurisdiction

The substantive law of the Federal Republic of Germany shall apply. The United Nations Convention on Contracts for the International Sale of goods (CISG) does not apply. The place of performance and court of jurisdiction is Albstadt. We also have the right to bring a lawsuit at any other court of jurisdiction.

17. Ineffectiveness

Should one of the aforementioned provisions be wholly or partly ineffective in law the effectiveness of the remaining provisions shall not be affected.

ASSA ABLOY Sicherheitstechnik GmbH
(Status 1st December 2011)