

# Terms and Conditions of Sale Policy

## Introduction

This *Terms and Conditions of Sale Policy* applies to GE Security products and services purchased directly from GE Security. As all policies herein are subject to change, check our website at [www.gesecurity.com](http://www.gesecurity.com) for the latest policy. **If you have questions about this policy, contact the appropriate customer service center.**

Effective date: [July 1, 2009](#).

## Standard terms and conditions of sale

**Goods sold by GE Security (hereinafter GE) are expressly subject to and conditioned upon the terms and conditions set forth below. Any different or additional terms set forth by Buyer, whether in Buyer's purchase order or another communication, are expressly objected to and will not be binding on GE unless agreed to in writing by an authorized officer of GE.**

All periods of days set forth herein are calendar days unless otherwise stated.

**Sales and payment terms.** Unless otherwise agreed in writing by GE, terms are net 30 days. Past due accounts will be subject to the maximum legal rate of interest or 1.5% per month, whichever is less. If a delinquent account is sent to collections, Buyer is responsible for all collection and attorney fees. All payments are to be made in US dollars. If a Buyer's account becomes past due, GE may ship products on a cash in advance basis, or may refuse shipments until the account is paid in full.

**Acceptable forms of payment.** All remittances must be in a single payment in the full amount of the invoice (adjusted for any debit memos) and must be in accordance with the following requirements:

- Wire or electronic fund transfer (referencing invoice number) and Buyer must be the originator of wire.
- Buyer company check (drawn on company account with company name).
- Irrevocable letter of credit (referencing invoice number).

Third-party checks, bank checks, and foreign drafts will be accepted only if approved in advance in writing by the CFO of GE and must have accompanying documentation that references invoices being paid.

**Security interest.** Buyer hereby grants to GE, and GE reserves, a purchase money security interest in each product sold by GE to Buyer in the amount of its purchase price. Any such security interest shall be satisfied by payment in full of the invoiced amount. Buyer agrees to execute any and all such documents, including financing statements, as may be necessary for GE to perfect such security interest. Notwithstanding the foregoing, a copy of the Agreement may be filed on behalf of GE with the appropriate authorities at any time after signature by Buyer as and for a financing statement.

**Prices.** Products and services will be invoiced at prices in effect as of date of shipment (invoice date). Prices are not necessarily valid for other current and future sales. Any and all invoice errors must be disputed within 30 days of invoice date and are subject to correction by GE. Prices exclude any present or future federal, state, provincial, local, or other governmental taxes, duties, and tariffs applicable to the sale, transportation, or use of products purchased, all of which taxes, duties, and tariffs shall be paid by Buyer. International sales are subject to applicable transportation and import duties, licenses, and fees, or as agreed to by the purchase order. All prices are FOB shipping point.

**Change in buyer's financial condition.** GE reserves the right to cancel an order or require full or partial payment if (1) solvency of Buyer is in question, (2) Buyer files for bankruptcy, (3) there is an appointment of trustee or receiver for Buyer, or (4) execution of Buyer by creditors. GE also reserves the right to cancel Buyer's credit at any time.

**Delivery, title, and risk of loss.** All shipments will be FOB shipping point, and title and risk of loss will pass to Buyer when accepted for shipment by the freight company. On-time shipment is dependent upon Buyer promptly supplying all necessary documentation. GE will ship via its preferred carrier. GE reserves the right to make partial shipments unless specifically stated otherwise on Buyer's purchase order. Freight charges are prepaid by GE and will be invoiced to Buyer. Buyer must promptly

file claims for damaged items with the freight carrier. GE will determine the point of shipment. Products may ship from multiple locations.

**Excusable delays.** GE shall use commercially reasonable efforts to deliver all products ordered by Buyer as soon as reasonably practicable. In the event of interruption of any such delivery due to causes beyond the reasonable control of GE, including but not limited to fire, labor disturbances, riots, accidents, or inability to obtain necessary materials or components, GE shall have the right, in its sole discretion and upon oral or written notice to Buyer, to delay or terminate such delivery. Upon receipt of such notice, Buyer shall have the option to change or terminate such orders.

**Shortages.** Buyer must notify GE Customer Service of shortages within 10 business days. All claims for shortages shall be waived and released after 10 business days of receipt. At GE's option, shipment will be fulfilled or a credit will be mailed to Buyer within 30 days of claim receipt.

## Limited warranty

a. GE warrants that its products are free from defects in workmanship and materials, and will conform to GE's published specifications, subject to the terms of this limited warranty. With respect to any product furnished by GE, the foregoing shall apply only to failures to meet said warranty that appear within the applicable warranty period set forth in GE's *Return and Warranty Policy* on our website. The warranty extends only to Buyer and does not extend to any other party. GE is not responsible for conditions or applications over which GE has no control. Defects or problems as a result of such conditions or applications are not the responsibility of GE. Such conditions include normal wear and tear; catastrophe; fault or negligence of the user or a party other than GE; improper installation, application, storage, maintenance, or use of products; other causes external to products; or failure to conform to any applicable recommendations of GE. The warranty does not cover, and GE does not warrant, batteries of any type used in connection with other products furnished. To the extent that any product includes software or firmware, whether included in a product furnished hereunder or provided separately, GE warrants that such software/firmware will, at the time of delivery by GE and for a period of 90 days thereafter, conform in all material respects to GE's documentation relating to such software/firmware.

b. If any product fails to meet the limited warranty, GE shall, at its option, correct any such failure by repairing any defective or damaged parts of damaged product, or make available, FOB shipping point, any necessary repaired or replacement parts. GE reserves the right to replace any product under warranty with new, refurbished or remanufactured product. GE will not be responsible for labor costs of removal or reinstallation of products. The repaired or replaced product is then warranted under the terms of the limited warranty for the balance of the term of the warranty or for 90 days, whichever is longer. For any warranty claim, Buyer must contact Customer Service and request authorization to return the product (see "Return Material Authorization" below).

c. **The preceding subsections of this limited warranty set forth the exclusive remedies for claims based on any defect, failure, malfunction, or any other performance or nonperformance of any product, whether the claim is in contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, and however instituted. Upon expiration of the applicable limited warranty period, any liability of GE in connection with such exclusive remedies shall terminate, and Buyer shall have 30 days after the warranty period to give written notice of any defects, failures, malfunctions, or other performance or nonperformance issue that appeared during the warranty period. Except as set forth in the section entitled "Patents," the foregoing limited warranty is exclusive and in lieu of all other warranties, whether written, oral, implied, or statutory. NO IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE SHALL APPLY.**

**Advanced replacement.** Advance replacement products are new, refurbished or remanufactured products at GE's discretion. GE will send advance replacement product to replace defective equipment that has failed upon initial install for up to 365 days. Advance replacements will be invoiced at shipment and credited upon receipt of the defective product. Invoices will remain outstanding if the returned product does not qualify under the replacement terms. Refer to GE's *Return and Warranty Policy* on our website for more information. If the defective product is part



of a kit, Buyer shall return only the defective product (i.e., Buyer shall not return the remainder of the kit) and GE will replace only the defective product through advance replacement. Advanced replacement is not available for custom, special or nonstandard products.

**Nonwarranty Repair.** Buyer will be charged for all repairs and shipping costs for nonwarranty equipment. Payment is accepted by purchase order or credit card. Factory repairs are granted an extended warranty of 90 calendar days from the date of shipment, except for fire products which are granted an extended warranty of one year from the date of shipment.

**Return Material Authorization.** Contact a GE customer service center and request authorization to return the product. If the request is granted, Customer Service will issue a return material authorization (RMA) acknowledgement form. Return the product in the original or equivalent packaging, freight prepaid, to the designated GE location, with the RMA acknowledgement form attached on the outside of the package. Do not return product for repair, replacement, credit, or restock without authorization of GE. If product is returned without authorization, it will be returned (without repair) to the sender upon receipt at Buyer's expense. Custom, special or nonstandard products will be returned at GE's discretion only.

**Credit Returns.** No returns for credit or refund will be accepted unless Buyer has obtained a return material authorization as described in the section entitled "Return Material Authorization". GE will refund or credit new, standard production items that are unused and in original shipping cartons for a period of 120 days from the original date of shipment; however any returned product is subject to a 25% restocking fee if Buyer's request comes more than 60 days after the original ship date. Returns for refund or credit beyond 120 days from original shipment date will be denied.

Products purchased as part of a kit must be returned in their entirety (i.e., the entire kit must be returned, not separate parts) to receive refund or credit. Refund or credit is not available for custom, special or nonstandard products.

Buyer must use credit within one year of the date of issue. All returns are subject to GE inspection and approval.

**Software license.** As used in this document, the term "Software" means: a) machine-readable object code; or b) a computer program or compilation of data that is fixed in any tangible medium of expression or any storage medium from which the program may be perceived, reproduced, or otherwise communicated, only with the aid of a machine or device. Furthermore, the term "Software" shall include, without limitation, any proprietary software provided for the ordinary operation of the products, any optional software to enhance the operation of the Products, and any upgrades or revisions of this material GE provides in fulfillment of a specific written commitment or otherwise. Nothing herein shall be deemed to create an obligation on the part of GE to provide any support, upgrades, or revisions to any software other than pursuant to a separate written obligation to do so. Buyer is granted a limited license for any Software and related user documentation delivered by GE, whether as part of any product or provided separately. Buyer is not granted a license for any other software or documentation. This license allows Buyer to:

- a. use the Software and user documentation only on the products on which it is installed at the time of delivery or, if the Software is supplied separately, in connection with products supplied by GE. Buyer must obtain a supplementary license from GE (which GE may or may not grant in its sole discretion) before using the Software in connection with any other equipment or for any other purpose; and
- b. make one copy of the Software in machine-readable form solely for backup purposes, provided that Buyer reproduces on any such copy the copyright notice and any other proprietary legends that were on the original copy.

Buyer shall have no other rights under this license. Buyer may not distribute copies of the Software or documentation to others or electronically transfer the Software from one computer to another over a network. The Software contains trade secrets of GE. In order to protect such trade secrets, Buyer may not modify, decompile, reverse-engineer, disassemble, or otherwise reduce the Software to a human-perceivable form. Buyer may not modify, adapt, translate, rent, lease, loan, resell for profit or other purpose, distribute, network, or create derivative works based upon the Software or any part thereof. All Software and user documentation is protected by the copyright laws, works of authorship, and patents of the United States of America and by applicable international treaties. No license under such rights is transferred to Buyer, except as specifically provided above. All Software provided by GE remains GE's property. If Buyer receives any Software that renders other Software that Buyer then has redundant, Buyer must return the redundant Software to GE.

**Patents.** GE warrants that GE products furnished hereunder shall be delivered free of any rightful claim of any third-party for infringement of any United States patent. If notified promptly in writing and given authority, information, and assistance, and contingent upon Buyer not taking any position adverse to GE in connection with such claim, GE shall defend, or may settle at its expense, any suit or proceeding against Buyer so far as based on a claimed infringement which would result in a breach of the warranty stated in this section, and GE shall pay all damages and costs awarded therein against Buyer due to such breach. In case any product or part thereof is in such suit held to constitute such an infringement and the use for the purpose intended of said product or part is enjoined, GE shall, at its expense and option, either procure for Buyer the right to continue using said product or part, or replace same with a noninfringing product or part, or modify same so it becomes noninfringing, or remove the product and refund the purchase price (less reasonable depreciation for any period of use) and any transportation costs separately paid by Buyer. The foregoing states the entire liability of GE for patent infringement by the products or any part thereof. This does not apply to any product or part specified by Buyer or

manufactured to Buyer's design, or to the use of any product furnished hereunder in conjunction with any other product in a combination not furnished by GE as a part of this transaction. As to any such product or part, or use in such combination, GE assumes no liability whatsoever for patent infringement, and Buyer will hold GE harmless against any infringement claims arising therefrom.

#### Limitation of Liability

- a. GE's liability to Buyer on any claim of any kind, whether as a result of breach of contract, warranty, indemnity, tort (including negligence), strict liability, or otherwise, for any loss or damage arising out of, connected with, or resulting from the transaction, or from GE's performance or breach thereof, or from the design, manufacture, sale, resale, installation, repair, operation, or use of any products furnished herein, shall in no event (except as specifically provided for under the "Patents" section) exceed the price paid by Buyer for the products which give rise to the claim. Any such liability shall terminate upon the expiration of the applicable warranty period, provided, however, that Buyer's rights to prove title in the products purchased from GE shall not terminate.
- b. In no event, whether as a result of breach of contract, warranty, indemnity, tort (including negligence and strict liability), or otherwise, shall GE or its suppliers be liable for any special, consequential, indirect, incidental, exemplary or punitive damages, including but not limited to: loss of profit or revenues; loss of use of the products or any associated equipment; damage to associated equipment; cost of capital, substitute products, facilities, or services; downtime costs; or claims of Buyer's customer for such damage.
- c. Unless otherwise agreed to in writing and signed by the President and CEO of GE, products sold are not intended for use in connection with any nuclear facility or activity. If resold by Buyer for such use, GE disclaims all liability for any nuclear damage, injury, or contamination, and Buyer shall indemnify GE against any such liability, whether as a result of breach of contract, warranty, tort (including negligence and strict liability), or otherwise.

**Disclaimer.** GE does not make any claims or warranties of any kind regarding any product's potential, ability, or effectiveness to detect, minimize, or in anyway prevent death, personal injury, property damage, or loss of any kind whatsoever. GE is not responsible for any death, personal injury, damage, loss, or theft related to the product or its use or for any harm, whether physical or mental, related thereto. GE does not represent that the product may not be compromised and/or circumvented, or that the product will prevent death, personal injury, bodily injury, and/or damage to property of purchaser or others resulting from burglary, robbery, fire, or otherwise, or that the product will in all cases provide adequate warning or protection. Buyer understands that a properly installed and maintained product may only reduce the risk of events such as burglary, robbery, fire, or similar events without warning, but it is not insurance or a guarantee that such events will not occur or that there will be no death, personal injury, and/or property damage as a result. GE shall not be liable for any death, personal injury, property damage, or loss of any kind whatsoever to purchaser or others, whether directly, indirectly, incidentally, consequentially, or otherwise, caused by the operation, nonoperation, functioning, malfunctioning, or misuse of the product.

**Proprietary information.** Buyer agrees that GE has and claims various proprietary rights in the hardware, firmware, software, and the integration of ancillary materials, knowledge, and designs that constitute GE products, and that Buyer will not directly or indirectly cause any such proprietary rights to be violated.

**Custom products.** Intellectual property resulting from the development of custom products (including but not limited to hardware, software, and technical documentation) for a buyer are exclusively the property of GE and may not be reproduced, redistributed, or resold by Buyer without prior written permission, or the proprietary rights therein are specifically transferred to Buyer from GE.

**Design changes.** GE reserves the right to make changes in design of any of its products without incurring any obligation to notify Buyer or to make the same change to units previously purchased.

**Export laws.** Buyer agrees to comply with all applicable export laws, assurances, codes and license requirements, and controls of the United States and other applicable jurisdictions in connection with the use and resale of GE products including without limitation Buyer's acceptance of responsibility for the payment of any relevant taxes or duties, etc.

**Governing law.** The internal substantive laws of the state of New York shall govern this transaction.

**This Policy is subject to change.** Please go to [www.gesecurity.com/terms](http://www.gesecurity.com/terms) for the latest version of this Policy.