

SAY Security Group USA, LLC.

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Terms and Conditions of Sale

1. INTERPRETATION

1.1 In these Conditions the following expressions shall have the following meanings insofar as the context shall admit:

'BUYER' means the person who accepts a quotation of the Seller for the sale of the Goods or whose order for the Goods does the Seller accept.

'GOODS' means the goods (including any installment of the goods or any parts for them), which the Seller is to supply in accordance with these CONDITIONS.

'SELLER' means SAY Security Group, LLC

'CONDITIONS' means the terms and a condition of sale set out in this document and includes any special terms and conditions agreed in writing between the Buyer and the Seller.

'CONTRACT' means the contract for the purchase and sale of the Goods.

'WRITING' includes telex, cable, facsimile transmission or comparable means of communication.

1.2 Any reference in these conditions to any provision of a statute shall be construed as a reference to that provision as amended re-enacted consolidated or extended at the relevant time.

1.3 The headings in these Conditions are for convenience only and shall not affect their interpretation.

1.4 Reference to a masculine provision shall include reference to the feminine and neuter provisions and visa versa and reference to a singular provision shall include reference to the plural and visa versa.

2. BASIS OF THE SALE

2.1 The Seller shall sell and the Buyer shall purchase the Goods in accordance with any written quotation of the Seller which is accepted by the Buyer or any written order of the Buyer which is accepted by the Seller subject in either case to these Conditions which shall govern the Contract to the exclusion of any other terms and conditions subject to which any such quotation is accepted or purported to be accepted or any such order is made or purported to be made by the Buyer.

- 2.2 No variation to these Conditions shall be binding unless agreed in Writing between the authorized representatives of the Buyer and a director of the Seller.
- 2.3 The Seller's employees or agents are not authorized to make any representations concerning the Goods unless confirmed by a duly authorized person of the Seller in Writing. In entering into the Contract the Buyer acknowledges that it does not rely on and waives any claim for breach of any such representations that are not so confirmed.
- 2.4 Any advice or recommendation given by the Seller or its employees or agents to the Buyer or its employees or agents as to the storage application or use of the Goods which is not confirmed in Writing by a duly authorized person of the Seller is followed or acted upon entirely at the Buyer's own risk and accordingly the Seller shall not be liable for any such advice or recommendation which is not so confirmed.
- 2.5 Any typographical, clerical or other error or omission in any sales literature quotation price list acceptance of offer invoice or other document or information issued by the Seller shall be subject to correction without any liability on the part of the Seller.

3. ORDERS AND SPECIFICATIONS

- 3.1 No order submitted by the Buyer shall be deemed to be accepted by the Seller unless and until confirmed in Writing by a duly authorized person of the Seller.
- 3.2 The Buyer shall be responsible to the Seller for ensuring the accuracy of the terms of any order (including any applicable specifications) submitted by the Buyer and for giving the Seller any necessary information relating to the Goods within a sufficient time such as to enable the Seller to perform the Contract in accordance with its terms.
- 3.3 The quantity, quality and description of and any specification together with any directions for shipment and delivery for the Goods shall be those set out in the Seller's quotation (if accepted by the Buyer) or the Buyer's order (if accepted by the Seller).
- 3.4 If the Goods are to be manufactured or any process is to be applied to the Goods by the Seller in accordance with a specification submitted by the Buyer the Buyer shall fully and effectually indemnify the Seller against all loss damages costs and expenses awarded against or incurred by the Seller in connection with or paid or agreed to be paid by the Seller in settlement of any claim for infringement of any patent, copyright design, trade mark or other industrial or intellectual property rights of any other person which results from the Seller's use of the Buyer's specification.
- 3.5 The Seller reserves the right to make any changes in the specification of the Goods which are required to conform, to any applicable safety or other statutory requirements or where the Goods are to be supplied to the Seller's specification which do not materially affect their quality or performance.

- 3.6 No order which has been accepted by the Seller may be cancelled by the Buyer except with the agreement in Writing of a director of the Seller and on terms that the Buyer shall indemnify the Seller in full against all loss (including loss of profit) costs (including the cost of all labor and materials used) damages charges and expenses incurred by the Seller as a result of cancellation.
- 3.7 Orders placed by the Buyer over \$15,000 *must* be placed with the Seller in writing on an “irrevocable purchase order”

4. PRICE OF THE GOODS

- 4.1 The price of the Goods shall be the Seller’s quoted price or where no price has been quoted (or a quoted price is no longer valid) the price listed in the Seller’s published price list current at the date of acceptance of the order. All prices quoted are valid for 30 days only or until earlier acceptance by the Buyer. After which time the Seller may alter them without giving notice to the Buyer.
- 4.2 The Seller reserves the right by giving notice to the Buyer at any time before delivery to increase the price of the Goods to reflect any increase in the cost to the Seller which is due to any factor beyond the control of the Seller (including without limitation any foreign exchange fluctuation, bank charges, currency regulation, alteration of duties, significant increase in the costs of labor or materials or other costs of manufacture, any change in delivery dates or quantities or specifications for the goods which is requested by the Buyer and delay caused by any instructions of the Buyer to give the Seller adequate information or instructions) any change in delivery dates quantities or specifications for the Goods which is requested by the Buyer or any delay caused by any instructions of the Buyer to give the Seller adequate information or instructions.
- 4.3 Except as otherwise stated under the terms of any quotation or in any price list of the Seller and unless otherwise agreed in Writing between the Buyer and a Director of the Seller all prices are given by the Seller on an ex works basis and where the Seller agrees to deliver the Goods otherwise than at the Seller’s premises the Buyer shall be liable to pay the Seller’s charges for transport (including the cost of shipping and container hire) packaging and insurance.
- 4.4 The price is exclusive of any applicable value added tax or goods and services tax which the Buyer shall be additionally liable to pay to the Seller.
- 4.5 The cost of pallets and returnable containers will be charged to the Buyer in addition to the price of the Goods but full credit will be given to the Buyer provided they are returned undamaged to the Seller (at the cost of the Buyer) before the due payment date.

5. ORDERING PROTOCOL/ STOCK BALANCING.

- 5.1 The DISTRIBUTOR may order Products from the Company by submitting to the Company a written and authorized purchase order, which specifies the Product(s) by their correct order code number. The price for each such Product as set and

established by the Company from time-to-time, and the total amount due to the Company for such order. Purchase orders may be submitted by facsimile. An order from the DISTRIBUTOR shall be considered to be accepted by the Company when the designated officers of the Company have signed such Purchase order, and the Company has provided the DISTRIBUTOR with written notification that such order has been accepted or that a part order has been delivered. A purchase order that has been accepted by the Company shall not be subject to cancellation, in whole or in part.

- 5.2 The DISTRIBUTOR shall be entitled to return overstocked Products quarterly, provided that the Products are unused and in their original packaging and the Products are both currently manufactured and between four and twelve months old. And further provided that the DISTRIBUTOR places an order with the Company for Products with a dollar value at least as great as the returned Products plus a twenty percent restocking fee.
- 5.3 Orders for Product should be submitted to the Company allowing a lead-time of approximately 6-8 weeks. Although the Company will endeavor to do its best to supply orders within the outlined timeframe, the Company shall not be liable in any way or form for any delays in product supply.
- 5.4 The Company shall not be under any obligation to continue the manufacture of any or all of the product(s) and shall be entitled to make such alterations to the specifications as it sees fit.

6. TERMS OF PAYMENT

- 6.1 Subject to any special terms agreed in Writing between the Buyer and a director of the Seller the Seller shall be entitled to invoice the Buyer for the price of the Goods on or at any time prior to delivery of the Goods unless the Goods are to be collected by the Buyer or the Buyer wrongfully fails to take delivery of the Goods in which event the Seller shall be entitled to invoice the Buyer for the price of the goods at any time after the Seller has notified the Buyer that the Goods are ready for collection or (as the case may be) the Seller has tendered delivery of the Goods.
- 6.2 The Buyer shall pay the price of the Goods (less any discount to which the Buyer is entitled but without any other deduction) by money wire, check, cashiers check, or money order, notwithstanding that delivery may not have taken place and the property in the Goods has not passed to the Buyer. The time of payment of the price shall be of the essence of the Contract. Receipts for payment will be issued only upon request.
- 6.3 If the Buyer fails to make any payment on the due date then without prejudice to any other right or remedy available to the Seller the Seller shall be entitled to:
 - 6.3.1 Cancel the contract or any other Contract to which the Seller and the Buyer may be party and/or suspend any further deliveries to the Buyer;

- 6.3.2 Appropriate any payment made by the Buyer to such of the Goods (or the goods supplied under any other contract between the Buyer and the Seller) as the Seller may think fit (notwithstanding any purported appropriation by the Buyer); and
- 6.3.3 Charge the Buyer interest (both before and after any judgment) on the amount unpaid at the rate of 18 per cent per annum until payment in full is made (a part of a month being treated as a full month for the purpose of calculating interest).
- 6.3.4 Charge the buyer all expenses incurred for the collection of any and all monies outstanding.
- 6.3.5 Should the Buyer's credit account reach forty five (45) days in arrears the Buyer shall be placed on "Stop Supply" and shall remain in that state until the total outstanding balance is paid in full.
- 6.4 The Buyer shall not be entitled to withhold payment of any amount due under these Conditions or to the Seller by reason of any payment credit set-off counterclaim allegation of incorrect or defective goods or for any reason whatsoever which the Buyer may allege excuses him from performing its obligations hereunder.
- 6.5 The Buyer agrees that in the context of the sale of the Goods to the Buyer hereunder and pursuant to these Conditions the inclusion of Clause 6.4 is reasonable in the circumstances and its contents are acceptable to The Buyer having considered its relevance to the Contract.

7. DELIVERY

- 7.1 Delivery of the Goods shall be made by the Buyer collecting the Goods at the Seller's premises at any time after the Seller has notified the Buyer that the Goods are ready for collection or if the Seller, delivering the Goods to that place, agrees some other place for delivery.
- 7.2 Any dates quoted for delivery of the Goods are approximate only and the Seller shall not be liable for any delay in delivery of the Goods. Time for delivery shall not be of the essence unless previously agreed by a director of the Seller in writing. The Goods may be delivered by the Seller in advance of the quoted delivery date upon giving reasonable notice to the Buyer.
- 7.3 Where the Goods are to be delivered in installments each delivery shall constitute a separate contract and failure by the Seller to deliver any one or more of the installments in accordance with these Conditions or any claim by the Buyer in respect of anyone or more installments shall not entitle the Buyer to treat the Contract as a whole as repudiated.
- 7.4 If the Buyer fails to take delivery of the Goods or fails to give the Seller adequate delivery instruction at the time stated for delivery (otherwise than by reason of any

cause beyond the Buyer's reasonable control or by reason of the Seller's fault) than without prejudice to any other right or remedy available to the Seller the Seller may:

7.4.1 Sell the Goods at the best price readily obtainable and (after deducting all reasonable storage and selling expenses) account to the Buyer for the excess over the price under the Contract or charge the Buyer for any shortfall below the price under the Contract.

8. RISK AND PROPERTY

8.1 Risk of damage to or loss of the Goods shall pass to the Buyer:

8.1.1 in the case of Goods to be delivered in accordance with these Conditions at the Seller's premises, at the time when the Seller notifies the Buyer that the Goods are available for collection; or

8.1.2 In the case of Goods to be delivered otherwise than at the Seller's premises, at the time of delivery or if the Buyer wrongfully fails to take delivery of the Goods the time when the seller has tendered delivery of the Goods.

8.2 Notwithstanding delivery and the passing of risk in the Goods or any other provision of these Conditions the property in the Goods shall not pass to the Buyer until the Seller has received in cash or cleared funds payment in full of the Goods and all other goods agreed to be sold by the Seller to the Buyer for which payment is then due.

8.3 Until such time as the property in the Goods passes to the Buyer the Buyer shall hold the Goods as the Seller's fiduciary agent and bailee and shall keep the Goods separate from those of the Buyer and third parties and properly stored protected and insured and identified as the Seller's property. Until that time the Buyer shall be entitled to resell or use the Goods in the ordinary course of its business but shall account to the Seller for the proceeds of sale or otherwise of the Goods whether tangible or intangible including insurance proceeds and shall keep all such proceeds separate from any moneys or property of the Buyer and third parties and in the case of tangible proceeds properly stored protected and insured.

8.4 If the Goods are prior to sale by the Buyer made up or incorporated in or mixed with other goods then if they remain separately identifiable the Seller shall retain property and title thereof and if they do not remain separately identifiable the Seller shall become a joint owner of the goods in or which the Goods are incorporated or mixed in such proportion as the value of the Goods bears to the value of the Goods in which the Goods are so incorporated or mixed.

8.5 If the Buyer sells the Goods or the goods in or which the Goods have been incorporated or mixed the sale shall be on behalf of the Seller as joint owner thereof as the case may be and the proceeds of any such sale (or the Seller's share thereof if the sale is of jointly owned property) shall be held in trust for the Seller and in a separate identified account.

- 8.6** Until such time as the property in the Goods passes to the Buyer (and provided the Goods are still in existence and have not been resold) the Seller shall be entitled at any time to require the Buyer to deliver up the Goods to the Seller and if the Buyer fails to do so forthwith to enter upon any premises of the Buyer or any third party where the Goods are stored and repossess the Goods.
- 8.7** The Buyer shall not be entitled to pledge or in any way charge by way of security for any indebtedness any of the Goods which remain the property of the Seller but if the Buyer does so all money owing by the Buyer to the Seller shall (without prejudice to any other right or remedy of the Seller) forthwith become due and payable.

9. LIEN

- 9.1** In addition to any other right or lien to which the Seller may by law or pursuant to these Conditions be entitled to, the Seller shall be entitled to a general lien on all the goods and the property of the Buyer in the Seller's possession whether paid for or not and a right of sale of such goods and property at the Seller's sole discretion for any unpaid money due under the terms of the Contract between the Seller and the Buyer.
- 9.2** The Seller shall have the right to put any goods or property over which it has a lien, into a saleable state by any means whatsoever and (without prior notice to the Buyer) to sell such goods whether by private treaty or otherwise on such terms as the Seller may agree at the Seller's sole discretion. Out of the proceeds of sale the Seller shall be entitled to retain a sum equivalent to all unpaid moneys due to it from the Buyer as aforesaid together with the cost of putting the goods into a saleable state and the expenses of sale and any balance shall be paid to the Buyer.

10. WARRANTIES AND LIABILITY

- 10.1** Subject to the conditions set out below the Seller warrants that the Goods to be in compliance with our specifications and to be free from defects in materials and workmanship under normal use. Specific warranties vary from product to product. Please contact SAY Security at our office for detailed warranty information.
- 10.2** The above warranty given by the Seller is subject to the following conditions:
- 10.2.1** The Seller shall be under no liability in respect to any defect in the Goods, arising from any drawing, design or specification supplied by the Buyer.
- 10.2.2** The Seller shall be under no liability in respect to any defect arising from fair wear and tear, willful damage, negligence, abnormal working conditions, failure to follow the Seller's instructions (whether oral or in writing), misuse or alteration or repair of the Goods without the Seller's approval.
- 10.2.3** The Seller shall be under no liability under the above warranty (or any other warranty condition or guarantee) if the total price for the Goods has not been paid by the due date.

- 10.2.4** The above warranty does not extend to parts, materials or equipment not manufactured by the Seller in respect of which the Buyer shall only be entitled to the benefit of any such warranty or guarantee, as is given by the manufacturer to the Seller.
- 10.2.5** The Seller will not accept any warranty claims in respect of any Goods unless and until the Buyer has settled in full all outstanding invoices sums and payments due to the Seller howsoever arising including without limitation those in respect of the goods the subject of the warranty claim.
- 10.2.6** The Buyer shall be responsible for all costs associated with transportation to and from the Sellers premises of Goods sent to the Seller for repair under warranty.
- 10.3** Subject as expressly provided in these Conditions, all warranties conditions or the terms implied by statute or common law is excluded to the fullest extent remitted by law.
- 10.4** To the extent that these Conditions constitutes a supply of goods to a consumer as defined by any applicable law the Buyer permits the Seller to limit its liability for a breach of a condition or warranty implied thereby, then the Seller's liability for such breach shall be limited to:
- 10.4.1** The replacement of the Goods or the supply of equivalent goods or payment of the cost of replacing the Goods or requiring the equivalent goods; or
- 10.4.2** The repair of the Goods or payment of the cost of having the Goods repaired; or
- 10.4.3** The supplying of the services again; or
- 10.4.4** The payment of the cost of having the services supplied again as the case may require.
- 10.5** Any claim by the Buyer which is based on any defect in the quality or condition of the Goods or their failure to correspond with specification shall (whether or not delivery is refused by the Buyer) be notified to the Seller within 7 days from the date of delivery or where the defect or failure was not apparent on reasonable time after discovery of the defect or failure. If delivery is not refused and the Buyer does not notify the Seller accordingly the Buyer shall not be entitled to reject the Goods and the Seller shall have no liability for such defect or failure and the Buyer shall be bound to pay the price as if the Goods had been delivered in accordance with the Contract.
- 10.6** Where any valid claim in respect of any of the Goods which is based on any defect in the quality or condition of the Goods or their failure to meet specification is notified to the Seller in accordance with these Conditions the Seller shall be entitled to replace the Goods (or the part in question) free of charge or at the Seller's sole discretion

refund to the Buyer the price of the Goods (or a proportionate part of the price) but the Seller shall have no further liability to the Buyer.

- 10.7** Except in respect of death or personal injury caused by the Seller's negligence the Seller shall not be liable to the Buyer by reason of any representation or any implied warranty condition or other term, or any duty at common law or under the express terms of the Contract for any consequential loss or damage (whether for loss of profit or otherwise) costs expenses or other claims for consequential compensation whatsoever (and whether caused by the negligence of the Seller its employees or agents or otherwise) which arise out of or in connection with the supply of the Goods or their use or resale by the Buyer except as expressly provided in these Conditions.
- 10.8** The Seller shall not be liable to the Buyer or be deemed to be in breach of the Contract by reason of any delay in performing or any failure to perform any of the Seller's obligations in relation to the Goods if the delay or failure was due to any cause beyond the Seller's reasonable control. Without prejudice to the generality of the foregoing the following shall be regarded as causes beyond the Seller's reasonable control:
- 10.8.1** Act of God, explosion, flood, tempest fire or accident.
- 10.8.2** War or threat of war, sabotage, insurrection, civil disturbance, or requisition.
- 10.8.3** Acts, restrictions, regulations by laws, prohibitions or measures of any kind on the part of any governmental parliamentary or local authority.
- 10.8.4** Import or export regulations or embargoes.
- 10.8.5** Strikes, lockouts or other industrial actions or trade disputes (whether involving employees of the Seller or of a third party).
- 10.8.6** Difficulties in obtaining raw materials, labor, fuel, parts, or machinery;
- 10.8.7** Power failure or breakdown in machinery.

11. INSOLVENCY OF BUYER

- 11.1** This clause applies if:
- 11.1.1** The Buyer makes any voluntary arrangement with its creditors or becomes subject to an administration order or (being an individual or firm) becomes bankrupt or (being a company) goes into liquidation (otherwise then for the purposes of amalgamation or reconstruction); or
- 11.1.2** An encumbrance takes possession or a receiver or receiver and manager or administrator is appointed of any of the property or assets of the Buyer; or
- 11.1.3** The Buyer ceases or threatens to cease to carry on business; or

11.1.4 The Seller reasonably apprehends that any of the events mentioned above is about to occur in relation to the Buyer and notifies the Buyer accordingly

11.2 If clause 11.1 applies then without prejudice to any other rights or remedy available to the Seller the Seller shall be entitled to cancel the Contract or suspend any further deliveries under the Contract without any liability to the Buyer and if the Goods have been delivered but not paid for the price shall become immediately due and payable notwithstanding any previous agreement or arrangement to the contrary.

12. GENERAL

12.1 Any notice required or permitted to be given by either party to the other under these Conditions shall be in Writing addressed to that other party at its registered office or principal place of business or such other address as may at the relevant time have been notified pursuant to this provision to the party giving the notice.

12.2 No waiver by the Seller of any breach of the Contract by the Buyer shall be considered as a waiver of any subsequent breach of the same or any other provision.

12.3 If any provision of these Conditions is held by any competent authority to be invalid or unenforceable in whole or in part the validity of the other provisions of these Conditions and the remainder of the provision in question shall not be affected thereby.

12.4 Any dispute arising under or in connection with these Conditions or the sale of the Goods. Shall be referred to arbitration by a single arbitrator appointed by agreement or (in default) nominated on the application of either party by the President or Chairman.

12.5 The laws of USA shall govern the contract and the parties hereto submit to its non-exclusive jurisdiction.