

General Conditions of Sale

1. Terms

1.1 Unless you have signed a contract with Genetec, the sale of all products and services (“Products”) and custom services (“Services”) by Genetec to you (“Customer”) shall be governed in accordance with the following terms and conditions:

- These General Conditions of Sale (this “Agreement”); and
- In the case of Services, the Statement of Work (“SOW”) duly signed by Genetec and the Customer

In the event of a conflict or inconsistency between the terms contained in these General Conditions of Sale and the SOW, the SOW shall govern and supersede any conflicting or inconsistent terms of this Agreement.

No additional terms or conditions contained in Customer’s purchase order shall be of any force or effect whatsoever.

2. Relationship

2.1 The relationship between Genetec and Customer is that of independent contractors acting for their own account and neither is authorized to make any commitment or representation, express or implied, on the other’s behalf unless authorized to do so in writing.

3. Prices

3.1 Prices to Customer for Products and Services will be those set forth in the quotation provided by Genetec. Customer recognizes that it is the importer of all Products on cross-border shipments and assumes all responsibilities with respect to shipping charges, import duties, Federal, Provincial/State and local sales, use, excise and similar taxes and charges. Customer shall pay such charges and taxes when invoiced by Genetec or shall supply satisfactory tax exemption or resale certificates to Genetec

3.2 All sums payable by Customer hereunder shall (except to the extent required by law) be paid free and clear of, and without any deduction or withholding on account of, any taxes (other than taxes on the overall net income of Genetec) imposed, levied, collected, withheld or assessed by any governmental authority. If Customer is required by law to make any deduction or withholding on account of any such taxes from any sum paid or payable by Customer to Genetec: (i) Customer shall pay any such taxes before the date on which penalties attach thereto, such payment to be made (if the liability to pay is imposed on Customer) for its own account or (if that liability is imposed on Genetec) on behalf of and in the name of Genetec; (ii) the sum payable by Customer in respect of which the relevant deduction, withholding or payment is required shall be increased to the extent necessary to ensure that, after the making of that deduction, withholding or payment, Genetec receives on the due date a net sum equal to what it would have received had no such deduction, withholding or payment been required or made. Customer agrees to indemnify and hold harmless Genetec, and promptly reimburse Genetec upon its written request, for the amount of any taxes so levied or imposed on payments made hereunder and paid by Genetec.

3.3 Genetec may change its pricing structure at any time by written notice. If Genetec increases the price after acceptance (as defined below) of a purchase order, Customer will be billed based on the old pricing. Upon notification of such increased prices, Customer shall have ten (10) days to cancel any or all existing purchase orders not yet shipped. If Genetec decreases the price for the Products, the decrease will apply to any orders not yet accepted prior to such change.

4. Delivery, Risk and Title

4.1 Unless otherwise specified in a purchase order, all Products are shipped "Ex Works" Montreal (Quebec) Canada (EXW under Incoterms 2010). Transfer of risks and title shall occur upon delivery of the Products to Customer. Delivery of Products to a carrier shall constitute delivery to Customer.

5. Terms of Payment

5.1 Payment for Products and Services shall be net thirty (30) days from the date of invoice or as otherwise agreed to in writing by Genetec. Customer shall pay a monthly interest rate of 2% for late payment, compounded monthly (equivalent to an annual rate of 26.8%), until full payment is received. In addition, in the event a legal action is taken by Genetec for payment, Customer hereby agrees that Genetec may recover costs of collection and reasonable attorney's fees.

6. Orders and Shipments

6.1 Customer's purchase orders shall state name and location of end-user, with contact information, description of Products and Services, unit quantities of Products, part numbers, requested delivery date; applicable price; location to which Products are to be shipped and Services to be performed; address to which invoices shall be sent for payment; and any other ordering procedure established by Genetec or agreed to in writing with Customer. All orders are subject to Genetec's acceptance. Orders will be deemed accepted upon written approval from Genetec.

- 6.2 All orders for standard Products may be cancelled by Customer no more than two (2) days after receiving Genetec's acceptance of Customer's order. Requests for cancellation or rescheduling received beyond this grace period may be accepted at a charge to be determined in writing by Genetec.
- 6.3 Genetec may make partial shipments of Customer's orders for Products. Such partial shipments shall be separately invoiced and shall be paid for when due, without regard to subsequent shipments. Delay in delivery of any particular installment to Customer shall not relieve Customer of its obligation to accept subsequent installments.

7. Genetec's Limited Warranty and Limitation of Liabilities

- 7.1 **DEFINITIONS** - "**Service(s)**" means all services performed by Genetec. "**Software Product(s)**" means all software developed and licensed by Genetec and any related updates provided to the Customer, including where applicable associated media, printed materials and online or electronic documentation. "**Hardware Product(s)**" means all hardware manufactured and sold by Genetec. "**Equipment**" means any other hardware products supplied by Genetec that are not manufactured by Genetec.
- 7.2 **HARDWARE PRODUCTS** - The Hardware Products are warranted under normal use to be free from any and all defects in design, materials and workmanship and to be fit and sufficient for the purpose intended for a period of one year from their date of delivery. Genetec agrees to repair or replace, without charge, any part proven to be defective within the warranty period. Warranty does not cover parts or equipment that have been subject to misuse, negligence or accident. This warranty shall be null and void in the event of misuse, accident, alteration or unauthorized repair made to the products.
- 7.3 **EQUIPMENT** - The warranty on the Equipment shall be limited to the warranty granted to Genetec by the manufacturer of the Equipment. Genetec's sole liability and the Customer's exclusive remedy for a breach of this limited warranty is limited to replacement, repair or refund at the sole option of Genetec.
- 7.4 **SERVICES** - Genetec warrants that all Services will be carried out with reasonable care and skill. Genetec's sole liability and the Customer's exclusive remedy for breach of this limited warranty shall be at Genetec's sole option to give credit for, or re-perform the Services in question. This warranty shall only extend for a period of (60) sixty days after completion of the Services.
- 7.5 **SOFTWARE PRODUCTS** - Genetec warrants that, for a period of one year from the date of delivery of the Software Product to the Customer, the Software Product will perform in all material respects in accordance with the accompanying user manual, and the media on which the Software Product resides will be free from defects in materials and workmanship under normal use. GENETEC DOES NOT WARRANT THAT THE FUNCTIONS CONTAINED IN THE SOFTWARE PRODUCT WILL MEET THE END USER'S REQUIREMENTS, OR THAT THE OPERATION OF THE SOFTWARE PRODUCT WILL BE ERROR FREE OR UNINTERRUPTED. Genetec's entire liability and the Customer's exclusive remedy under this limited warranty provision shall be, at Genetec's sole option, either (a) refund of the price paid for the Software Product, or (b) repair or replacement of the portions of the Software Product that do not comply with this limited warranty.

- 7.6 ALL OTHER WARRANTIES - REPRESENTATIONS, TERMS AND CONDITIONS (STATUTORY, EXPRESS, IMPLIED OR OTHERWISE) AS TO QUALITY, CONDITION, DESCRIPTION, MERCHANTABILITY OR FITNESS FOR PURPOSE (EXCEPT FOR THE IMPLIED WARRANTY OF TITLE) ARE HEREBY EXPRESSLY EXCLUDED.
- 7.7 GENETEC SHALL IN NO EVENT BE LIABLE UNDER ANY THEORY OF CONTRACT, TORT, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES OF ANY KIND, FROM ANY CAUSE ARISING OUT OF THE SALE, INSTALLATION, USE OR INABILITY TO USE ANY PRODUCT OR SERVICE, EVEN IF GENETEC HAS BEEN ADVISED OF THE POSSIBILITY THEREOF, INCLUDING, WITHOUT LIMITATION, LOST PROFITS, LOST BUSINESS REVENUE, LOST GOODWILL, BUSINESS INTERRUPTION, OTHER ECONOMIC LOSS OR ANY LOSS OF RECORDED DATA.
- 7.8 Genetec shall not be bound by any representations or statements on the part of its employees or agents whether oral or in writing including those made in catalogues and other promotional material.

8. Customer's Responsibilities

- 8.1 Customer shall either purchase the Products and Services for its own use or resell said Products and Services only to end-users approved by Genetec. Any resale by Customer to persons who are not Genetec approved end-users shall be sufficient cause for immediate cessation of any shipments by Genetec without prejudice to any claims in damages Genetec may have against Customer for such actions.
- 8.2 In all instances where Customer is representing Genetec, promoting and/or selling Products or providing Services, including but not limited to, technical support and installation of Products, Customer shall use qualified individuals and follow professional standards in accordance with industry practices. Customer, its employees and authorized agents or subcontractors shall at all times comply with applicable laws and regulations, as well as all applicable procedures, standards and guidelines established by Genetec or customer, as the case may be, relating to safety, security, operations and service affecting issues.

9. Support

- 9.1 The Customer shall be responsible for providing first-level support to its customers. Genetec will provide support during the warranty period under the terms of its standard warranty service level as provided in the appropriate section of Genetec's price book. The Customer may purchase from Genetec at its current pricing a software maintenance agreement that includes unlimited support.

10. Limitations on Future Claims

- 10.1 Both Genetec and Customer agree that any direct action hereafter arising out of the relationship between Genetec and Customer, including any action for alleged breach of this Agreement, shall be barred unless commenced by the aggrieved party within two (2) years after the cause of action relating to such matter occurs or within the period of the applicable statute of limitations, whichever is less. However, the aforesaid two year limitation shall not apply to any actions asserted against Customer by Genetec arising from any delinquencies in payment.

11. Indemnity Against Infringement

- 11.1 Genetec shall indemnify and hold Customer harmless against any claim alleging that the Products supplied pursuant to this Agreement and in accordance with Genetec's specifications, infringes any patent, copyright, mask work right or other property right of a third party. Genetec shall defend at its expense any suit or proceeding against Customer based upon such a claim and shall pay all costs and damages awarded therein, provided that Genetec is notified promptly in writing of the suit or proceeding and Customer cooperates in the defense of such suit.

12. Use of Information (Confidentiality)

- 12.1 Use of all Software Products is governed by the software license agreement contained in such Software Product. In the event of a conflict or inconsistency between the terms of this Agreement and the applicable software license agreement, the applicable software license agreement shall govern and supersede any conflicting or inconsistent terms of this Agreement.
- 12.2 All Product schematics, software developer's toolkit, source code, applications, Third Party product integrations, documentation, artwork, circuits, diagrams, firmware, bill of materials and technology are the sole property of Genetec.
- 12.3 Where the Customer provides designs, drawings or specifications to Genetec to allow the manufacture of non-standard or custom-made Products, the Customer warrants that such manufacture will not infringe the intellectual property rights of any third party.

13. Insolvency

- 13.1 In the event that the Customer becomes bankrupt or, being a company, goes into liquidation (other than for the purposes of reconstruction or amalgamation), Genetec shall have the right to immediately terminate the contract of sale without notice and without prejudice to any other rights of Genetec hereunder.

14. Governing Law

- 14.1 Any sales made by Genetec to Customer shall be governed by the laws of the Province of Quebec.

15. General Provisions

- 15.1 Neither party shall be responsible for failure to perform hereunder due to causes beyond its reasonable control, including, but not limited to strikes, lock outs or labor disputes of any kind (whether relating to its own employees or others), fire, flood, explosion, natural catastrophe, military operations, blockade, sabotage, revolution, riot, civil commotion, war or civil war, terrorist acts, acts of god, plant breakdown, computer or other equipment failure and inability to obtain equipment.
- 15.2 If an event of force majeure exceeds one month either party may cancel the contract of sale without liability (except for obligations to pay amounts already due and in respect of any portion of the contract of sale already fully performed). Performance shall be resumed as soon as reasonably practicable after the cessation of such cause.
- 15.3 In case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein unless the deletion of such provision or provisions would result in such a material change as to cause completion of the transactions contemplated herein to be unreasonable.
- 15.4 This Agreement, together with any other documents and exhibits incorporated herein by reference, constitute the entire agreement between the parties hereto pertaining to the subject matter hereof. Any and all prior written or oral agreements or arrangement between the parties pertaining to the subject matter herein are expressly canceled.