

**ADVANCED SECURITY TECHNOLOGY, LLC's (Seller") quotation, sale and/or acceptance of Buyer's Purchase Order (Order") for Seller's Products and/or Services is expressly conditioned upon Buyer's assent to the below Terms and Conditions. Buyer's acceptance of Seller's Products is also deemed by the Parties to be Buyer's assent to such terms.**

**1. General**

All Terms and Conditions of Quotation/Sale are as follows except as specifically noted on the face of the Seller's Acknowledgement, Sales Order or Quotation.

**2. DELIVERY, DELAYS AND PERFORMANCE**

No liability shall result from delay in performance or non-performance of this Agreement directly or indirectly caused by fire, explosion, accidents, flood, labor trouble or shortage, war, act of regulation or any government, inability to obtain suitable material, equipment, fuel power, or transportation or act of God; or arising from contingencies, happenings, or causes beyond the control of the parties affected. Quantities of Products so affected by any such circumstances may be eliminated from the Order without liability, but this Agreement shall otherwise remain unaffected.

**3. F.O.B./EX WORKS POINT**

All sales are made for U.S. buyers F.O.B. (and for foreign buyers, EX WORKS, per Incoterms 2000) at point of Seller's shipment. Seller's Liability ceases as to delivery and risk of loss ceases upon making delivery of the Products purchased hereunder to carrier at said shipping point in good condition; the carrier acting as Buyer's agent.

**4. ASSIGNMENT**

The buyer shall not assign its Order or any interest therein or any rights thereunder without the prior written consent of Seller.

**5. TAXES**

Buyer shall reimburse the Seller for all taxes, excises or other charges which the Seller may be required to pay to any domestic government (national state or local) upon the sale, production or transportation of the Products sold hereunder, and for international operations (export sales). Additionally all taxes, licenses, duties, and governmental exactions by whatever name known which may be levied or assessed on or account of the Products sold hereunder, or their documents.

**6. PAYMENTS**

Payments shall be made to Seller in strict accordance with the agreed upon payment terms. Each shipment shall be considered a separate and independent transaction. If performance by Seller or shipments are delayed by the Buyer, payments shall become due on the date when the Seller is prepared to make shipment and such payments shall be made based on the purchase price and the percentage of completion. The seller reserves the right to ship its Products and make collection by sight draft with Bill of Lading attached.

**7. PRICE**

Prices and terms are not subject to verbal changes or other agreements unless approved in writing by the seller. Prices are based on costs and conditions existing on the date of quotation and are subject to change by the seller before final acceptance. Prices do not include export or special packaging, compliance testing or inspection charges. Buyer shall have no right to access or Seller's

cost or pricing data or other book and records.

**8. NON-WAIVER-CONFLICTING TERMS AND CONDITIONS**

Any failure at any time of Buyer or Seller to enforce any provision hereof shall not constitute a waiver of such provision nor prejudice the right of Buyer or Seller to enforce such provisions at any subsequent time. Insofar as any terms and conditions of the Buyer's Order conflict with the Seller's terms and conditions contained herein, the latter shall govern, irrespective of whether the Buyer accepts the Seller's terms and conditions by written acknowledgement, by implication, or acceptance and payment of Products ordered hereunder. Terms and conditions proposed by Buyer that are inconsistent with those stated herein are waived by Buyer.

**9. PROPRIETARY RIGHTS**

Buyer shall not use data or information furnished or acquired from Seller, in whole or in part, or the Products, to copy, redesign, reverse engineer, replicate or manufacture (or enable manufacture by itself or any third party) the Products, products similar thereto or products derived therefrom without the express written permission of the holder of proprietary rights to such data and information. The price for the Products does not include any such data and information.

**10. DISPUTES/COLLECTION**

Should Seller initiate collection (in court or otherwise) against the Buyer by reason of Buyer's failure to make payment in accordance with Seller's payment terms or other disputed contract interpretation, then the prevailing Party in such action shall be paid all costs (including its reasonable attorney fees) actually incurred in connection with such action, or any appeal therefrom, from the other party regardless of any otherwise applicable court schedule used in connection with the determination thereof. In any such action the laws of the State of New Jersey, USA shall apply.

**11. CANCELLATION**

No cancellations of an Order may be accepted without the specified written approval of the Seller and, if permitted, shall be subject to cancellation charges which will include all expenditures made and committed for the Order.

**12. NO WARRANTIES**

(a) Seller neither expressly nor impliedly warrants against defects in design, workmanship and materials of all Products, parts or materials supplied by others. Buyer shall only have the benefits of any express written warranties provided by such manufacturer or other vendors. Seller shall have no obligation to process any warranty claim against such manufacturer and supplier for the benefit of the Buyer.

(b) Seller neither expressly nor impliedly warrants, or makes any representation whatsoever, as to service life of such Products since conditions of usage and experienced service life are neither within the control of nor knowledge of Seller.

(c) THE WARRANTY OF MANUFACTURER ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND SELLER HEREBY DISCLAIMS, AND BUYER HEREBY WAIVES, ALL WARRANTIES AND LIABILITIES OF SELLER AND ALL CLAIMS AND REMEDIES OF THE BUYER, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY DEFECT IN ANY PRODUCTS, INCLUDING WITHOUT LIMITATION, ANY (A)

IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR USE OR FOR A PARTICULAR PURPOSE, (B) ANY IMPLIED WARRANTY ARISING FROM COURSE OF DEALING OR PERFORMANCE OR USAGE OF TRADE, (C) RECOVERY BASED UPON TORT, WHETHER OR NOT ARISING FROM SELLER'S NEGLIGENCE, AND (D) ANY RECOVERY BASED UPON DAMAGED PROPERTY, OR OTHERWISE BASED UPON LOSS OF USE OR PROFIT OR OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES. IN THE EVENT THAT ANY PROVISIONS HEREOF SHOULD FOR ANY REASON BE HELD INEFFECTIVE, THE REMAINDER OF THESE PROVISIONS SHALL REMAIN IN FULL FORCE AND EFFECT.

**(d) In no event shall Seller or its employees, officers, members or agents, be liable for any direct, indirect, punitive, incidental, consequential or special consequential damages, to property or life whatsoever, arising out of or connected with the use, misuse, improper installation or maintenance of any Products, equipment or devices sold, marketed or distributed by it.**

### **13. EXPORT AND IMPORT COMPLIANCE**

Buyer and Seller (hereafter also known collectively as "Parties") shall comply with the laws and regulations of the United States of America (USA) relating to exports and foreign transactions, including but not limited to, the International Traffic in Arms Regulations (ITAR) (22 C.F.R. Parts 120-130), the Arms Export Control Act (22 U.S.C. 2778), the Export Administration Regulation (EAR) (15 C.F.R. Parts 730-774) and the Export Administration Act of 1979, as amended (50 U.S.C. 2401 et. Seq.). In particular, the Parties shall not disclose any technical data nor deliver, export, re-export or re-transfer any Products out of the USA, or to foreign persons or entities within or outside the USA, without the proper written authorization and/or licenses from the U.S. Government. Buyer hereby indemnifies and agrees to hold Seller harmless from any costs, damages, penalties, attorney's fees and similar expenses of Seller due to Buyer's breach (or threatened breach) of such obligation.