



TERMS AND CONDITIONS OF SALE

This document together with other documents referenced herein contains all of the terms and conditions relating to Digital Security Controls, a division of Tyco Safety Products Canada, Ltd. (DSC) sales to its Customers and supersedes all prior understandings, policies, terms and conditions or purchase orders, representation and warranties including those in marketing and promotional materials. The terms and conditions herein apply to all sales of products and services to Customers of DSC (being original purchasers of DSC products).

1. Effective Date of New Terms and Conditions

The new Terms and Conditions are in effect as of September 22, 2003. All prior terms and conditions are superseded by these terms.

2. Authorized Vendor Qualification Procedure

DSC sells to and provides service only to "Authorized Vendors". To become an Authorized Vendor, the Customer must submit for approval, DSC's standard "Vendor Qualification Form", completed and signed either by the Customer, individually, or by the Customer's authorized officer. Once approved, Authorized Vendor status allows the Customer to order products described in the "Price List" according to these "Terms and Conditions of Sales". The Customer agrees to notify DSC without delay in the event of a corporate reorganisation, or change of either ownership or business location, and to promptly re-submit a "Vendor Qualification Form" reflecting such changes, in order that DSC may determine whether the situation or credit worthiness of the Customer has changed. The status of Authorized Vendor can be terminated by the Customer or by DSC at any time by notification in writing to the other party.

3. Payment Terms

Payments must be remitted in the currency specified by DSC, or if not so specified, in U.S. dollars. Credit terms may be available, at the sole and absolute discretion and according to the decision of DSC's credit department. DSC shall be entitled, at its sole and absolute discretion, to review and withdraw any extension of credit if, in DSC's opinion, the Customer's financial or payment record so warrants.

Customers with open account credit terms shall pay all invoices within thirty (30) days from the date of invoice.

Invoices unpaid past thirty (30) days shall be considered overdue. In such case, all further shipments may be curtailed or delayed until payment has been brought up to date, at the sole and absolute discretion of DSC, in addition to any other action that DSC may take, as deemed appropriate in DSC's sole and absolute discretion. On past due accounts, Customer shall pay, on the unpaid balance, a late payment charge of 1.5% per month (18% per annum), but not in excess of the lawful maximum.

Orders from Customers without credit terms must be prepaid by bank transfer according to the instructions on the "PRO-FORMA INVOICE" produced on receipt of orders. Unless security for payment has been otherwise arranged, orders must be paid cash-in-advance or by irrevocable letter of credit payable at sight and drawn on a corresponding bank acceptable to DSC.

4. Security Pending Payment

The Customer hereby grants and DSC reserves a purchase money security interest in each product purchased by the Customer and in any proceeds thereof, for the amount of the purchase price owing to DSC. The Customer hereby agrees DSC is entitled to take any action to perfect its security interest over products not fully paid for. Upon shipment Ex-Works from DSC warehouses, title shall pass to the Customer, and the Customer agrees to be liable for all loss or damage to the goods, however caused, and assumes all of the obligations and risks of an absolute owner and agrees to indemnify and save harmless DSC from any and all loss or damage or claim for loss or damage to persons or property caused by reason of the use, possession or operation of the goods. It is understood and agreed, without prejudice to DSC's rights, that DSC may assign the payments to be made hereunder to a third party.

5. Pricing

Prices are reviewed from time to time and are found in the "Price List" or documented on an authorized "Price Confirmation" form or on an authorized "Quotation" form in force at time of order. All prices are subject to immediate change by DSC without prior notice, with the exception of pricing on a "Quotation" form that is valid for a maximum of sixty (60) days unless otherwise indicated. All prices are NET and include all applicable discounts. Any applicable taxes, duties, freight, insurance, or broker fees are not included in the pricing and the Customer agrees to promptly refund DSC for any such charges which DSC may have to pay.

6. Product Specifications

Product specifications may be modified without prior notice or without the Customer being specifically informed. In the event Customer's purchase requirements are specific, Customer shall have the obligation, before purchasing, to enquire into and confirm with DSC that the specification requirements it requires, still exist in the specific product.

7. Ordering

Orders shall be transmitted in writing (fax and e-mail accepted) and shall include desired ship date and method. Orders may be placed by telephone, and are subject to confirmation in writing by DSC prior to shipment.

8. Order Confirmation Procedure

All orders are subject to acceptance by DSC and no sales are final until shipped by DSC. Shipping dates are set according to product availability and may deviate, at DSC's sole and absolute discretion.

9. Cancellation Not Permitted

Unless otherwise stipulated, Customers are not permitted to cancel or modify a product order without a cancellation charge being levied.

10. Special Orders

Special orders or custom orders for custom artwork items are, once made, NOT MODIFIABLE, CANNOT BE CANCELLED and are NON-REFUNDABLE.

11. Withdrawal of Product

DSC may at any time, without notice, withdraw any goods from sale and shall not be obligated to fill any order for goods withdrawn from sale notwithstanding any acceptance of such order. DSC does not represent or guarantee to the Customer the availability for sale of the ordered goods and the Customer hereby expressly releases DSC from liability to the Customer arising out of or by virtue of the failure of DSC to accept or fill any orders of the Customer for goods due to the unavailability for sale of any of the goods.

12. Delivery Dates

Projected delivery dates are estimated upon receipt of order and on the assumption of the absence of delays, direct or indirect. For reasons beyond DSC's control, some orders may be delayed even after shipment confirmation and DSC shall not be held responsible for such delays. Customers are encouraged to call for estimated delivery dates of special items, as these may sometimes encounter a delay.

13. Shipping

All orders are shipped Ex-Works from DSC warehouses. Unless otherwise agreed, shipments shall be sent according to the standard method as documented on the "Vendor Qualification Form" or according to specific instructions on each purchase order. In the event that DSC has not received instructions, shipping shall be arranged by the most economical means available. The Customer shall pay all freight charges regardless of method of shipping. DSC reserves the right to proceed with partial shipments of an order if the Customer's purchase order does not specify otherwise. Unless otherwise agreed, products shall be packaged according to DSC standards and practices.

14. Invoicing or Shipping Errors

Shipping errors or shortages must be reported to DSC within ten (10) days of receipt of shipment. Invoicing errors must be reported within thirty (30) days from date of invoice. DSC reserves the right not to recognise or correct any errors after such dates and assumes no liability whatsoever after such dates.



15. Limited Warranty

The sole warranty which DSC provides is the Limited Warranty attached hereto as Schedule "A".

16. Repair Policy and Procedure

DSC's Repair Policy and Procedure is attached to the Price List.

17. Disputes:

All disputes arising in connection with the sales of products and services to Customers shall be determined by arbitration in Toronto, Canada, in accordance with the International Commercial Arbitration Act (Ontario) or any successor or replacement legislation which may be in force.

18. Governing Law:

This Agreement is made, executed, and delivered in Ontario, Canada, and any controversy arising hereunder or relation to this Agreement shall be governed by and construed in accordance with the domestic laws of the Province of Ontario. The parties hereto hereby agree that the application of the United Nations Convention on Contracts for the International Sale of Goods to this Agreement does not apply and is strictly excluded.

19. Modification of Terms and Conditions

Any modifications or departure from these terms and conditions must be written and approved by an authorized signing officer for DSC. DSC reserves the right to modify these terms.