

Appendix 1. Terms and Conditions of Sale

1. Definitions

In these Terms and Conditions 'the Company' shall mean CamAlarms Limited. 'the Buyer' shall mean any person firm or company placing an order 'the Works' shall mean all goods and materials and services where applicable to be provided by the Company in fulfilling the order all as specified in the Company's quotation.

2. Application

All contracts entered by the Company are made expressly subject to these Terms and Conditions unless or until officially varied in writing by an authorised officer of the Company. In particular no purported verbal variation of these conditions shall bind the Company and these Terms and Conditions shall take precedence over any others which the Buyer may seek to impose.

3. Validity

All quotations tenders and other invitations to treat unless withdrawn earlier are valid for sixty days. They represent no obligation to the Company until the Buyer's order is accepted and acknowledged in writing by the Company.

4. Information

The Buyer's order must be in writing and contain sufficient information to enable the Company to proceed forthwith. If such information is not supplied, then the Company reserves the right to revise any tender or quotation and to extend the time for performance.

5. Descriptions

Any descriptions specifications drawings samples performance details or the like submitted with the Company's proposals are for illustration purposes only and none of these shall form part of any contract.

6. Price

All prices are exclusive of VAT or any other statutory charges and special packing and shall be the prices ruling at the date of despatch unless otherwise agreed in writing. All prices are ex-works unless otherwise stated in the Company's quotation.

All quotations tenders and other invitations to treat are based on the provision that delivery will be made within the Company's normal lead times. Where delivery is required outside these timescales, prices shall be subject to adjustment for increases in costs of materials labour and other consumables.

7. Delivery

The time or date specified for delivery shall mean the time for despatch of the Works from the Company or from the Company's designated supplier and shall be treated as an approximate estimate only. The Company reserves the right to deliver in more than one shipment.

The time for completion shall be reckoned from the date upon which the Company accepts the Buyer's order with sufficient information as in 4 above. Time shall not be of the essence of the contract.

8. Payment

The full contract price of the Works shall be invoiceable on the date of delivery or in interim or stage payments as may be required by the Company. All accounts are payable on demand and in any case, payment shall be made in full within 30 days of the date of invoice. Interest on late payments will be chargeable at 5% per annum above LIBOR accruing daily from the due date as defined above and will continue until payment is made in full. The Company reserves the right to suspend performance where payment is not received by the due date.

The Company reserves the right to refuse to execute any order or contract if the arrangements for payment or the Buyer's credit is not satisfactory to the Company.

9. Title and Risk

Title in the Works shall pass to the Buyer on receipt by the Company of payment in full of all sums due by the Buyer to the Company. Payment shall be deemed to be received only when the amount of that payment is credited to the Company's account. Until title to the Works has passed to the Buyer as provided for above the Company shall be entitled either to enter the Buyer's premises to recover the Works or any other things supplied by the Company in lieu thereof or to trace the proceeds of sale of any things owned by the Company. Risk in the Works shall pass to the Buyer at the time of delivery. The Buyer shall insure against all risks for the full replacement value of all things owned by the Company and in the possession of the Buyer and store them in such a way that they are identifiable as the property of the Company. Any things supplied by the Company in the Buyer's possession shall be presumed to belong to the Company unless the Buyer can prove otherwise.

10. Transit Damage & Shortages

The Buyer shall advise the Company in writing within 3 days of receipt of any damaged goods or shortages otherwise no claims will be considered. Damaged goods must be retained complete with their original packing until either the Company or its carrier inspects the damaged consignment. If the Company is satisfied that the goods should be returned for replacement the Company will provide the Buyer with a copy of its standard Goods Return Request Form and on receipt of the duly completed form the Company will issue the Buyer with an authorisation number following which the Buyer shall return any damaged goods complete and securely packed in the original packing carriage paid quoting the given return authorisation number. The Company will consider claims for shortages only if the Company and its carriers receive written notice within 3 days of delivery. The packing and its contents must be retained for examination by the Company or its carriers. Failure to advise the Company of non-delivery within 7 days of the date of despatch as notified to the Buyer shall absolve the Company of any responsibility.

11. Inspection and Testing

The Works shall satisfy the Company's standard inspection and testing procedures together with any other procedures as agreed by the Company at the time of acceptance of the Buyer's order. Additional inspection and testing will be charged to the Buyer and the time for completion may be extended. If the Buyer requires to be present at such tests and so notifies the Company in writing at the time of placing the order the Company shall give the Buyer a minimum of seven days' notice in writing of the date and place at which the said testing shall take place. Should the Buyer fail to attend on the appointed date the tests shall proceed in his absence and be deemed to have been made in his presence. Should any re-testing be required due to the Buyer's failure to attend any additional costs arising shall be recoverable from the Buyer by the Company.

12. Warranty

For a period of 12 months after delivery the Company undertakes to repair or replace (at its option) free of charge any defects in the Works arising from the

Company's faulty design materials or workmanship provided that the Works have been properly operated and maintained and have not been modified or repaired other than by the Company.

Where the works have been carried out to a design supplied by the Buyer no liability is accepted by the Company for design errors which remain the responsibility of the Buyer.

In the case of goods manufactured by third parties the liability of the Company shall not exceed the warranty of the manufacturer of such goods to the Company.

The Company shall be under no liability in respect of any defect arising from fair wear and tear improper use wilful or accidental damage negligence abnormal working conditions failure to follow the Company's instructions (whether oral or in writing) misuse or alteration or repair of the works without the Company's prior approval.

Should any goods be returned to the Company under this warranty they shall be delivered to the Company's premises at the Buyer's expense and returned in accordance with the goods return procedure set out in 10 above.

Any costs incurred by the Company in investigating problems which prove not to be the responsibility of the Company under this warranty shall be recoverable from the Buyer.

13. Limitation of Liability

Subject as expressly provided in these conditions and except where the Works are sold to a person dealing as a Consumer within the meaning of The Unfair Contract Terms Act 1977 the Company's liability as defined in clause 12 shall be in lieu of any condition representation or warranty as to the quality or fitness for any particular purpose of the goods implied by statute or common law and save as provided for in clause 12 the Company shall be under no liability whether in contract tort or otherwise in respect of defects in the Works or for any damage or loss resulting from such defects or from any work done in connection therewith.

However, the Company shall indemnify the Buyer without limit against injury caused to persons to the extent that it is caused by the negligence of the Company or by defective material or workmanship in respect of the Works.

The Company's entire liability in connection with the Works in respect of any claim or series of claims shall not exceed the price of the part of the Works which forms the subject matter of the claim.

The Company shall not be liable to the Buyer or any other party for loss of use or of profit or of any consequential special or indirect loss or damage (whether for loss of profit or otherwise) that may be suffered by the Buyer or any other party.

14. Deferred Delivery

If the Buyer is unable or unwilling to take delivery of any elements of the Works when they are due the Company may at its option arrange storage at its premises or elsewhere at the Buyer's risk and expense and the value of any such items shall be invoiceable immediately.

Payment shall be due in accordance with clause 8 hereof and the warranty period shall commence at that time.

15. Variations and Cancellations

If after the Company's acceptance of the Buyer's order the Buyer wishes to vary the contract, the Company will implement such variations only on the Buyer's written instruction that instruction including acceptance of any revisions the Company may make to the contract price and the time for delivery installation or completion resulting from such variation. Cancellation of an order or any part thereof may only be made with the consent of the Company and on terms which indemnify the Company against all loss.

The Company will not accept the return of goods for credit.

16. Termination

Without prejudice to any rights accrued in the Company's favour in respect of any breach by the Buyer of this contract the Company shall not be obliged to continue with the works if and so long as:

- a) the Buyer is in default in making any payment due to the Company or commits any other breach of its obligations under this contract; or
- b) the Buyer (or any of its parent or subsidiary companies, or subsidiaries of parent companies as defined in s736 Companies Act 1985) is adjudicated bankrupt or commits any act of bankruptcy or makes any composition or arrangement with its creditors or (being a company) enters into liquidation (not being a voluntary liquidation for the purpose only of reconstruction or amalgamation) or has a Receiver or Administrator appointed or suffers any similar action in any jurisdiction in consequence of debt.

In addition the Company shall have the right to determine any contracts with the Buyer or to suspend or continue at its option further performance without prejudice to the Company's right to recover any loss sustained.

17. Assignment

The Buyer shall not assign nor transfer the contract or any part of it to any other party without the written consent of the Company.

18. Product Improvement and Substitution

The Company reserves the right to make design changes which do not detract from the performance or facilities of the Works or to substitute goods of equivalent performance if the goods specified in the contract are not available on the date required.

19. Ownership of Design

The Company retains the ownership of and all intellectual property rights in any design software or any other thing produced by it in whatever form. The Buyer is granted a non-exclusive right to use any software only on the hardware for which it was made available. The Buyer may not reproduce nor copy any design software or any other thing produced by the Company in whole or in part without the written consent of the Company which must be obtained on every occasion.

20. Installation & Commissioning

In the case of works involving installation the Works shall be deemed to have been delivered when installation has been completed and tested in accordance with the contract or on the date when the Works have been put into beneficial use whichever is the sooner provided that in any case the Works shall be deemed to have been delivered at a date one month after the completion of installation and this shall not be delayed on account of additions minor omissions or defects which do not materially affect the beneficial use of the Works.

Except where otherwise specified the Buyer shall provide free of charge such labour materials electricity stores lifts hoists cranes scaffolding apparatus and safe secure accommodation as may be requisite and as may be reasonably demanded to carry out installation, commissioning, and tests on site efficiently. The Buyer shall allow the Company such free and uninterrupted access to the site as is necessary for the contract to be completed in the specified time.

The cost to the Company of working outside the normal working hours recognised in the district shall be borne by the Buyer except to the extent that such work is necessitated through the default of the Company.

If the execution of the Works is materially disrupted or prolonged such disruption or prolongation being outside the Company's control any additional expense thereby incurred by the Company shall be added to the contract price and the programme for the works shall be extended as necessary. In the event that Works or part thereof are delivered to the Buyer or to store as defined in clause 14 hereof and there is a delay to installation and/or commissioning of 3 months or more and not caused by the Company then the Company may at its option cancel the installation and/or commissioning element and invoice for Work completed provided that the Buyer may have the right to place a separate order for installation and/or commissioning at a later date at the prices ruling at the time of such later order.

21. Force Majeure

Neither party shall be liable for failure to comply with any terms of the contract if compliance has been delayed hindered or prevented by any cause whatsoever beyond its reasonable control and the time for delivery shall be extended by a period corresponding to the period of such delay.

22. Patents Registered Designs and Trademarks

The Company gives no warranty, nor shall any be implied by any provision of this agreement that the Works does not or will not constitute an infringement of any patent or other right. However, provided that the Buyer notifies the Company immediately of any claim the Company undertakes to indemnify the Buyer fully against all legal costs (including the costs of any settlement) incurred and any damages awarded against the Buyer by any competent court as a result of any proceedings instituted against the Buyer in respect of any patent or other infringement or rights arising out of the use of Works. This indemnity shall be subject to the following limitations:

- a) the indemnity shall apply only to alleged or actual infringements or patents or other rights occasioned by the Buyer's use of the Works in the form in which it was supplied by the Company.
- b) this indemnity shall not apply in respect of use of the Works in conjunction with other equipment or software not supplied by the Company for the purpose; and
- c) this indemnity shall be subject always to the Company's absolute right to control all acts and deeds done by the Buyer pursuant to a claim and notwithstanding the generality of the foregoing to appoint on the Buyer's behalf legal advisors to defend such proceedings as the Company in its absolute discretion shall think fit including by way of example and not by way of limitation the negotiation of any settlement in relation to any such proceedings; and
- d) the Company shall not otherwise be accountable to the Buyer for any costs expenses or damages whatsoever whether direct or consequential incurred or suffered by the Buyer as a result of any infringement alleged or actual arising out of the use of the Works.

In the event of the Company not being reasonably able to modify substitute or otherwise procure for the Buyer the right to continue using the infringing part of the Works the Company may with the Buyer's consent, remove such part of the Works. However, if the Buyer refuses to give that consent after the Company has made such a request the Company shall have no liability in respect of the Buyer's continued use of the infringing part of the Works.

23. Export Control

The Buyer undertakes to comply with and not to do anything which would render the Company in contravention of the Export Administrative Regulations of the US Department of Commerce for the time being in force.

24. Notices

Any notice purported to be given under the contract shall be deemed to have been duly served and to have been received by the Buyer in the course of post if sent by the Company by prepaid letter addressed to the Buyer at the Buyer's last known address.

25. Severability

If any provision of this contract is held by any competent authority to be invalid or unenforceable in whole or in part the validity of the other provisions of this agreement and the remainder of the provisions in question shall not be affected by that invalidity or unenforceability.

26. CE Regulations

The Company confirms that the Works as supplied or installed by the Company will meet all CE Regulations current at the date of acceptance of the Buyer's order. However, any subsequent changes made to the Works or its environment may affect its conformance to CE Regulations and the Company shall not have any liability or responsibility for non-conformance in such circumstances.

27. Compliance with Obligations

Any failure by the Company to insist on the Buyer's strict compliance with any of its obligations under these terms and conditions shall not be construed as a waiver or relinquishment of the Company's right to insist on strict compliance with such obligations at any other time.

28. Entire Agreement

These conditions constitute the entire Agreement between the Company and the Buyer and supersede all prior agreements understanding negotiations and discussions whether oral or written between the Company and the Buyer and there are no warranties representations or other agreements between the Company and the Buyer in connection with the Works except as specifically contained herein.

29. Headings

The headings of these conditions shall not affect the construction thereof.

30. Law

The contract shall be construed as an English contract and governed in accordance with English Law.