

QUARTZLOCK (UK) Limited

TERMS & CONDITIONS

1. SALE OF GOODS IS MADE ACCORDING TO THE FOLLOWING TERMS AND CONDITIONS.

"Buyer" means the person who accepts a quotation of the Seller for the sale of the goods or whose order for the goods is accepted by the Seller;

"Goods" means the goods (including any instalment of the goods or any parts for them) which the Seller is to supply in accordance with these terms and conditions; and

"Seller" means Quartzlock (UK) Limited.

2. WARRANTY DISCLAIMER OR WARRANTIES - LIMITATION OF LIABILITY

- a. Seller warrants that the goods sold hereunder shall remain free from defects in workmanship and material, if installed, operated and maintained in accordance with Seller's instructions and specifications and under normal conditions of use for such goods, for a period of twelve months from date of sale for hardware, and 90 days from date of sale for software.
- b. Hardware: Subject to the next sentence hereof, it is expressly agreed and understood that Seller's sole obligation and Buyer's exclusive remedy under this warranty or under any other warranty, express or implied, or otherwise is Seller's replacing defective goods at Seller's office or, at Seller's sole election, repairing defective goods without charge. Seller's liability shall in no event exceed the purchase price for such goods, and in the event of proven non-repairable product failure Seller's sole obligation and Buyer's exclusive remedy shall be Seller's returning the purchase price of such goods, to the extent the same has been paid to the Seller by Buyer.
- c. Software: Quartzlock warrants that the Quartzlock product, as delivered by Quartzlock, do not include any code intended to damage, interfere with, or otherwise adversely affect computer programs, data files, or hardware without the consent or intent of the computer user including, without limitation, self-replicating or self-propagating programming instructions commonly called viruses and worms.
- d. Claims under this warranty must be made in writing within 30 days after the defect is discovered, which period of time is expressly agreed to be reasonable and all such claims are subject to substantiation by Seller's inspection department. Seller may require the return of alleged defective goods, transportation prepaid, to establish a claim under this warranty. Seller shall in no event be responsible for repairs made other than by Seller without Seller's prior written consent. All alleged defective goods must be held by Buyer pending instructions from Seller as to their disposition. Seller will not accept goods returned to it without its prior consent and packing slips showing Seller invoice numbers must accompany any returned goods. The period of limitations for any cause or action arising out of, based upon or relative to this warranty is hereby reduced to and shall be a period of 90 days after such cause of action has accrued.
- e. Limitation of Liability. Quartzlock shall not be liable to the seller for any indirect, special, incidental, punitive, or consequential damages, including lost profits, arising out or resulting from THE SALE even if the purchaser or oem have been advised of the possibility of such damages. The foregoing shall apply regardless of the negligence or other fault of either party and regardless of whether such liability sounds in contract, negligence, tort, or any other theory of legal liability.
- f. Disclaimer of Warranties. Quartzlock disclaims all other warranties, representations and statements, express or implied, statutory or otherwise, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose. Consumer's statutory rights will not be affected.
- g. If Buyer makes any warranty or representation inconsistent with or in addition to the warranty stated above, Buyer shall, at its own expense, defend and hold Seller harmless from any claim thereon of any nature whatsoever.

3. TERMS

- a. Unless otherwise agreed, all sales shall be Cash in Advance of delivery from Seller's office.
- b. If any credit terms are allowed by the Seller to the Buyer and 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 charge the Buyer interest (both before and after any judgement) on the amount unpaid at the rate of 2% per month until payment in full is paid, part of a month being treated as a full month for the purposes of calculating interest. Should payment not be received within the agreed terms, the Seller has the right to cancel the contract or suspend any further services or deliveries to the Buyer, and to appropriate any payment made by the Buyer to such of the goods as the Seller deems fit.

4. TAXES.

VAT and all taxes are excluded from and are payable in addition to prices unless specifically noted otherwise.

5. SHIPMENT. RISK OF LOSS:

Delivery dates quoted are approximations only and Seller shall incur no liability for failure to deliver on such dates. Seller reserves the right to deliver the goods sold hereunder in instalments or separate lots.

6. NONCONFORMITY OF GOODS:

Buyer may reject or revoke its acceptance of the goods sold hereunder only if the nonconformity in such goods is substantial. No nonconformity or defect in any lot, instalment or commercial unit shall constitute grounds for

claiming breach of the whole agreement and any lots instalments or commercial units not in dispute shall be paid for separately regardless of dispute as to other deliveries or undelivered goods. Seller reserves the right to cure, either by repair or replacement, any defects within a reasonable time after receipt of written notification from Buyer of such defects. If Buyer does not notify Seller in writing within 14 days after receipt of goods hereunder, which period of time is expressly agreed to be reasonable of any claimed defect Buyer shall be deemed to have irrevocably accepted such goods and shall be barred from any remedy therefore.

7. RETENTION OF TITLE

- a. The risk in the goods shall pass to the Buyer on delivery, but notwithstanding delivery property in the goods shall pass to Buyer until payment in full shall have been made therefore, and until such time Buyer shall insure the goods and all insurance monies in respect thereof shall be held on trust for Seller and when received by Buyer shall be placed in a separate bank account so as to be identifiable as being in the beneficial ownership of Seller.
- b. Buyer shall hold the goods until such payment is made or until resale or conversion into or incorporation with other goods as bailee of the goods by the Seller and shall if required by Seller store the goods separately from other goods in such a way as to be identifiable as the property of Seller.
- c. In the event of resale of the goods by Buyer before such payment is made Buyer shall hold such part of the proceeds of resale as represents the sale price of the goods on trust for Seller and shall place such sum in a separate bank account so as to be identifiable as being in the beneficial ownership of Seller.
- d. In the event that the goods are processed into or incorporated in, used as materials for, or mixed with other goods or materials before such payment is made then such mixed or processed goods shall be held by Buyer on trust for sale for the benefit of Seller and Buyer shall forthwith upon sale account to Seller for part of the proceeds of sale as represents the sale price of the goods and until such payment shall place.

8. EXCUSE:

A basic assumption of this Agreement is the non-occurrence of the following: fire, flood, explosion, riot, strike or other difference with workmen, shortage of utility, facility, material or labour, freight embargo, transportation delay, breakdown or accident, act of God or the public enemy, compliance with or other action taken to carry out the intent or purpose of any law or regulation, or any other cause beyond Seller's reasonable control which prevents or delays Seller's performance hereunder, and delay in delivery or non-delivery in whole or in part by Seller shall be excused if delivery is made impracticable by the occurrence of any of the above.

9. INSOLVENCY:

In the event of the Buyer's insolvency, the Seller is entitled to cancel all contracts and recover goods for which payment has not been received, in accordance with these Terms and Conditions.

10. GENERAL PROVISIONS

- a. This Agreement may not be assigned or otherwise transferred by Buyer without the prior written consent of Seller, and any such assignment or transfer without such prior written consent shall be null and void and of no force or effect otherwise.
- b. The paragraph headings in this Agreement are used for convenience only. They form no part of this Agreement and are in no way intended to alter or effect the meaning of this Agreement.
- c. The invalidity in whole or in part, of any provision of this Agreement shall not effect the validity or enforceable of any other of its provisions.
- d. Any notice or other communication required or permitted hereunder shall be sufficiently given if sent in writing by registered mail, return receipt requested, postage prepaid and addressed to the other party hereto at its respective address as set forth on the face hereof. Any such notice if so mailed, shall be deemed to have been received on the third business day following such mailing, regardless of when or whether received. Either party hereto may change its address for notice purposes by written notice to the other party.
- e. Seller's failure to insist, in one or more instances, upon the performance of any terms of this Agreement shall not be construed as a waiver or relinquishment of Seller's right to such performance or the future.

11. ORDER ACCEPTANCE AND CANCELLATION.

All orders, verbal or written, given to the Seller, are based on the Seller's quotation or offer and the above terms and conditions and unless otherwise stated by the Seller, are accepted in good faith and processed accordingly. Cancellations after 3 days from placement of the order, in whole or in part, are subject to a minimum 10% cancellation processing charge provided the goods are re-saleable. On products which have been specially designed or built to the customer's specifications or on services of any kind, a pro-rata cost will be added to the minimum 10% cancellation processing charge. On placing an order with the Seller the Buyer accepts these terms and conditions as integral to a purchase contract and no other terms and conditions will apply unless specifically noted in writing by the Seller as superseding these terms and conditions.

12. QUARTZLOCK PURCHASE ORDERS:

The above Terms and Conditions are applicable to goods sold by Quartzlock (UK) Ltd. Where goods are purchased by Quartzlock (UK) Ltd the Terms and Conditions specified on the Purchase Order will apply. Unless otherwise stated, payments will be made 60 days from the date of the month of invoice.