

## STANDARD TERMS AND CONDITIONS OF SALE

The following Terms and Conditions ("Terms") are effective as of May 30, 2019 and apply without exception to all sales of goods, licenses of software and service offerings (the "Offerings") by Ademco Inc., and its direct and indirect affiliates ("Resideo").

**1. SCOPE** THE TERMS ARE IN LIEU OF AND REPLACE ANY AND ALL TERMS AND CONDITIONS SET FORTH ON BUYER'S PURCHASE ORDER, SPECIFICATIONS, OR ANY OTHER DOCUMENT ISSUED BY BUYER. ANY ADDITIONAL, DIFFERENT, OR CONFLICTING TERMS OR CONDITIONS OF ANY SUCH DOCUMENT ISSUED BY BUYER ARE HEREBY OBJECTED TO BY RESIDEO AND SHALL BE WHOLLY INAPPLICABLE TO ANY SALE MADE HEREUNDER. No waiver or amendment of any of the Terms shall be binding on Resideo unless made in a writing expressly stating that it is such a waiver or amendment and signed by an authorized representative of Resideo. No representation, warranty, course of dealing, or trade usage not expressly set forth herein will be binding on Resideo.

**2. TERMS OF PAYMENT** All payments are due and payable as shown on the invoice issued in connection with an order for the Offerings covered by these Terms ("Order") and if no term is referenced, 30 days following invoice date. All payments are due as stated on the invoice and shall be made in U.S. currency, sent to the address specified on such invoice. All shipments, deliveries and performance of work covered by these Terms shall at all times be subject to the credit approval of Resideo, and Resideo may at any time decline to make any shipments or deliveries, or perform any work, except upon receipt of payment for all amounts due, including any late charges, or upon terms and conditions or security arrangements satisfactory to Resideo. Resideo may at any time revise the terms of payment set forth in these Terms. Additionally, Resideo may at its option: (a) repossess Offerings for which payment has not been made; (b) impose a late charge on delinquent amounts at the lower of 1.5% per month or the maximum rate permitted by law, for each full or partial month; (c) recover all costs of collection, including but not limited to reasonable attorneys' fees; (d) combine any of the above rights and remedies as permitted by applicable law. These remedies are in addition to those available at law or in equity. Buyer may not set off or recoup invoiced amounts or any portion thereof against sums that are due or may become due from Resideo. This clause will survive expiration or termination of this Order. Buyer grants to Resideo a purchase money security interest in all Offerings and the proceeds thereof until payment, subject to applicable law. Upon breach or default by Buyer of the payment terms of any of the Orders, Resideo shall, with respect to all Offerings furnished to Buyer, have all of the rights and be entitled to exercise all of the remedies of a secured party under the Uniform Commercial Code as adopted and in effect in the state(s) in which Buyer maintains the Offerings acquired from Resideo. Disputes as to invoices are deemed waived 15 days following the invoice date. Resideo reserves the right to correct incorrect invoices.

**3. PRICES; MINIMUM PURCHASE ORDER; ORDER CHANGES AND CANCELLATIONS** Unless otherwise agreed in writing, the prices for the Offerings covered by these Terms shall be Resideo's standard prices at the time of shipment. Orders below \$250 shall be assessed a \$50 service fee. In the event that the quantity set forth in an Order covered by these Terms is reduced, the price shall be changed to conform to Resideo's standard price for the quantity actually delivered. Such a price revision will apply to all Offerings delivered, even if already invoiced at the time of such reduction. In the absence of agreement between the parties regarding order changes and cancellations, the Buyer may not cancel or change orders. Resideo reserves the right to change prices at any time. Any pricing for an agreed term shall be subject to renegotiation if Resideo purchase, transportation or production costs increase by more than 5%.

**4. TAXES** Taxes, environmental fees, duties, tariffs and charges related to the Order are the responsibility of Buyer and Resideo may invoice Buyer for these separately, absent current proof of exemption.

**5. SHIPMENT AND RISK OF LOSS** All shipments covered by these Terms are FCA (Incoterms 2010) Resideo's facility for international shipments and F.O.B. Resideo's facility from which the products are shipped for U.S. domestic shipments. Title and risk of loss or damage to the Offerings shall pass to Buyer upon delivery to the carrier. If shipments are delayed by Buyer, the Offerings shall be held at Buyer's own cost and risk and Buyer shall be liable for any delays or increased costs incurred by Resideo that are caused by or related to Buyer's acts or omissions. The shipment of products or delivery of services hereunder shall be in accordance with the "Available for Shipment" dates provided by Resideo, or if no "Available for Shipment" date is provided, Resideo will schedule delivery in accordance with its standard lead times. Such "Available for Shipment" dates and lead times are approximate only and Resideo shall not be liable for, nor shall Resideo be in breach of its obligations to Buyer because of, any delivery made within a reasonable time before or after the stated delivery date. In addition, Resideo shall not be liable for any late delivery caused by the carrier or

failure of Buyer to provide any necessary information in a timely manner. Buyer must inspect all goods upon delivery and report in writing to Resideo apparent defects, transport damages, incorrect items and shortages, in no event later than three (3) days after delivery, otherwise all goods will be deemed delivered and accepted. Resideo reserves the right to quote additional charges for any special routing, packing, labeling, handling or insurance requested by Buyer.

**6. SPECIFICATIONS; CHANGES** At any time and for any reason Resideo may, without notice to Buyer, modify the design, materials, specifications or performance of Offerings covered by these Terms, provided the modifications do not materially alter the fit, form and function of the Offerings.

**7. FORCE MAJEURE** Resideo shall not be liable for any failure to deliver, or delay in the delivery of, any Offerings due to any cause beyond its reasonable control. In the event of any such delay, the date of delivery or performance shall be extended by a period equal to the time lost by reason of such delay. In the event Resideo's production is curtailed for any of the above reasons, Resideo may allocate its production among its various buyers. Such allocation shall be made in a commercially fair and reasonable manner. If the force majeure event continues for longer than 90 days, either party may terminate Buyer's Order by providing written notice to the other party and Buyer will pay Resideo for Offerings delivered and work performed prior to termination and all reasonable expenses incurred by Resideo as a result of such termination.

**8. BREACH** Any one of the following shall constitute a material breach of Buyer's obligations: (a) failure to make payment for any Offerings when due; (b) failure to accept conforming Offerings supplied hereunder; (c) the filing of a petition in bankruptcy against Buyer, the institution of any proceedings in insolvency or bankruptcy (including reorganization) against Buyer, the appointment of a trustee or a receiver of Buyer, or an assignment for the benefit of creditors of Buyer; (d) any other violation of any of the provisions of these Terms by Buyer. In the event of any such breach, Resideo may, by written notice to Buyer, terminate the Order(s), or any part thereof, without any liability whatsoever. Buyer shall pay all costs, including reasonable attorneys' fees, incurred by Resideo in any action brought by Resideo to collect payments owing or otherwise enforce its rights under these Terms.

**9. WARRANTY** Resideo's standard warranty, service level agreements or other maintenance and support obligations shall apply unless otherwise agreed in writing by the parties. Upon Resideo's request, Buyer must give Resideo access to these records for substantiating warranty claims. SUCH WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE. NO EXTENSION OF SUCH WARRANTY WILL BE BINDING UPON RESIDEO UNLESS SET FORTH IN WRITING AND SIGNED BY RESIDEO'S AUTHORIZED REPRESENTATIVE. Any liability of Resideo under this Section 9 is subject to the provisions of Section 11 "Limitations of Liability" of this Order.

## 10. INTELLECTUAL PROPERTY OWNERSHIP AND INDEMNIFICATION

Buyer acknowledges that Resideo, along with its affiliates, is the owner of all rights, title and interest in, and to, the Resideo Marks used by it on, or in connection with, any Offerings purchased by Buyer, except for the Honeywell Home trademark (the "Resideo Marks"). Buyer further acknowledges that Honeywell International Inc. (Honeywell) is the owner of the Honeywell Home trademark (the "Home Mark") utilized by Resideo and its affiliates. Resideo and Honeywell, respectively, shall own all goodwill resulting from use of the Resideo Marks and Home Mark. If Buyer distributes or otherwise resells the Offerings, Resideo grants Buyer a non-exclusive royalty free sublicense to use the Resideo Marks and Home Mark solely in connection with the marketing, sale, installation and servicing of the goods. The rights granted to Buyer are personal to Buyer and may not be transferred, assigned or sublicensed, other than to Buyer's customer if such customer is a sub-distributor or reseller of the goods in which case the terms of such transfer, assignment or sublicense shall be the same as those set out in this provision. Buyer shall not utilize any marks confusingly similar to the Resideo Marks and Home Mark. Any use of the Resideo Marks and Home Mark by Buyer must be in strict conformity with Resideo's corporate policy regarding trademark usage, which shall be provided to Buyer upon request in writing. Any advertising copy and promotional materials, including Internet web pages or designs, containing or referring to the Resideo or Home Mark ("Copy") which Buyer intends to use and its proposed placement must be approved in advance and in writing (including email) by Resideo to ensure proper trademark usage by Buyer. Buyer shall not (i) use the Resideo Marks and Home Mark for any unauthorized purpose or in any manner likely to diminish their commercial value; (ii) knowingly use any trademark, name, trade name, domain name, logo or icon similar to or likely to cause confusion with the Resideo Marks and Home Mark; (iii) make any representation to the effect that the Resideo Marks and Home Mark are owned by Buyer rather than trademark owner; (iv) attempt to register or own in any country: a) the Resideo Marks and Home Mark; b) any domain name incorporating in whole or in part the Resideo Marks and Home Mark; or c) any name, trade name, domain name, keyword, social media name or identification or mark that is

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confusingly similar to the Resideo Marks and Home Mark; or (v) challenge the validity of the trademark owner's ownership of the Resideo Marks and Home Mark or assert or claim any other right to manufacture, sell or offer for sale products under the Resideo Marks and Home Mark, or any trademark confusingly similar thereto. Any Resideo Marks and Home Mark names or domain names or trademark rights acquired by Buyer in violation of these Terms will be immediately assigned to the trademark owner upon request. Upon cessation of business dealings between Buyer and Resideo for any reason, Buyer will immediately cease any and all use of the Resideo Marks and Home Mark in any manner. Resideo retains ownership of all designs and specifications associated with the Offerings and any customizations of such Offerings, and Resideo is not restricted in the use or sale of such Offerings or any customizations. Resideo will defend any suit against Buyer arising out of any actual or alleged patent or copyright infringement of a valid U.S. patent or copyright to the extent based on the Offerings delivered by Resideo, and indemnify for any final judgment assessed against Buyer resulting from such suit provided that the Buyer notifies Resideo in writing at such time it is apprised of the third party claim and agrees to give sole authority, information and assistance for the defense and disposition of the claim. Resideo shall not be responsible for any compromise or settlement made without its prior written consent. Resideo will have no obligation or liability with respect to: (a) Offerings provided pursuant to Buyer's designs, drawings or manufacturing specifications; (b) Offerings used other than for their ordinary purpose; (c) claims of infringement resulting from combining any Offerings furnished hereunder with any article not furnished by Resideo; (d) use of other than the latest version of software product released by Resideo; or (e) any modification of the Offerings other than by Resideo. Further, because Resideo has exclusive control of resolving infringement claims hereunder, in no event will Resideo be liable for Buyer's attorney fees or costs. Buyer agrees to indemnify and defend Resideo to the same extent and subject to the same restrictions set forth in Resideo's obligations to Buyer as set forth in this Section 10 for any suit against Resideo based upon a claim of infringement resulting from (a), (b), (c), (d) or (e) of the preceding paragraph. If a claim is made or if Resideo believes that a claim is likely, Resideo may, at its option, and at its expense, (i) procure for Buyer the right to continue using the Offerings; (ii) replace or modify the Offerings so that it becomes non-infringing; or (iii) accept return of the Offerings or terminate Buyer's license to use the infringing Offerings and grant Buyer a credit for the purchase price or license fee paid for such Offerings, less a reasonable depreciation for use, damage, and obsolescence. Further, Resideo may cease shipping or offering infringing Offerings without being in breach of this Agreement. Any liability of Resideo under this Section 10 is subject to the provisions of Section 11 "Limitations of Liability" of this Order. THIS SECTION 10 STATES THE PARTIES' SOLE RECOURSE, ENTIRE LIABILITY, AND THEIR EXCLUSIVE REMEDIES WITH RESPECT TO INFRINGEMENT. ALL OTHER EXPRESS, IMPLIED OR STATUTORY WARRANTIES AGAINST INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS ARE HEREBY DISCLAIMED.

**11. LIMITATION OF LIABILITY** Section 9 (Warranty) and Section (10) (Intellectual Property Ownership and Indemnification) above states Resideo's sole obligation, and the sole remedy of Buyer, for any defect in any of the Offerings sold or licensed hereunder. IN NO EVENT SHALL RESIDEO BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, STATUTORY, PUNITIVE OR CONSEQUENTIAL DAMAGES, LOSS OF PROFITS, LOSS OF REVENUES OR LOSS OF USE, EVEN IF INFORMED OF THE POSSIBILITY OF SUCH DAMAGES, RESULTING FROM RESIDEO'S PERFORMANCE OR FAILURE TO PERFORM UNDER THE ORDER OR THESE TERMS, OR THE FURNISHING, PERFORMANCE, OR USE OF ANY OFFERINGS SOLD OR LICENSED PURSUANT HERETO, WHETHER DUE TO A BREACH OF CONTRACT, BREACH OF WARRANTY, TORT (INCLUDING, BUT NOT LIMITED TO, THE NEGLIGENCE OF RESIDEO OR ANY THIRD PARTY ACTION OR CYBER BREACH), BY OPERATION OF LAW OR OTHERWISE. THE AGGREGATE LIABILITY OF RESIDEO FOR ANY CLAIMS ARISING OUT OF OR RELATED TO THE ORDER SHALL IN NO CASE EXCEED THE AMOUNT OF THE PURCHASE PRICE PAID UNDER THE ORDER FOR THE SPECIFIC PRODUCT GIVING RISE TO THE CLAIM. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THESE LIMITATIONS AND EXCLUSIONS WILL APPLY REGARDLESS IF LIABILITY ARISES FROM BREACH OF CONTRACT, INDEMNITY, WARRANTY, TORT (INCLUDING NEGLIGENCE), BY OPERATION OF LAW, OR OTHERWISE.

## 12. CONFIDENTIAL INFORMATION AND DATA USAGE RIGHTS

Confidential Information means any non-public information of a party, such as proprietary technology, trade secrets, know-how, methods of operations, marketing data and sales programs, market studies and trends, financial information, pricing policies, vendor and customer lists, buying partners, Point of Sales reports and other information relating to the business, products, purchases or sales of a party or any of its suppliers or customers. Buyers acknowledge and agrees that Seller may use Buyer's Confidential Information to perform its obligations under these terms and conditions as they apply to the current or contemplated business relationship, and may disclose such information to persons on a need to know basis to perform such obligations, provided such persons bound by written confidentiality restrictions no less stringent than those contained herein. In compliance with applicable data protection laws and regulations, Resideo may use data collected, generated, processed or transmitted by or through products, or data provided by Buyer regarding the operation or performance of products, in an aggregated or anonymized form for any business purpose, including product development, marketing or sales support or other analytics. If Buyer does

not own such data, Buyer grants Resideo (or shall procure for Resideo) the right to use and make derivative works from such data for any lawful purpose.

**13. SOFTWARE** Software, if listed on the Order or installed on a good listed on the Order, is governed by the following terms unless a separate software license agreement is entered between the parties or is included with such software. Software is hereby licensed and not sold. Subject to Buyer's compliance with these Terms, Resideo grants a personal, limited, nonexclusive license to use the object code of the software solely for Buyer's internal purposes. The license is limited to such Offerings and/ or location(s) as are specified on Buyer's Order. Resideo retains all title and ownership to any software delivered hereunder, all of which contains confidential and proprietary information and which ownership includes, without limitation, all rights in patents, copyrights, trademarks, and trade secrets. Buyer shall not attempt any sale, transfer, sublicense, reverse compilation, disassembly, or redistribution of the software, nor shall Buyer copy, disclose, distribute, or display any such software, or otherwise make it available to others (except as Resideo authorizes in writing) or allow any unauthorized use of the software. If the software is delivered with a good listed on the face hereof, Buyer may only transfer its license of the software to a third party in conjunction with the sale by Buyer of the good on which the software is installed. Resideo may terminate this license if Buyer breaches these Terms. Buyer may be required to sign a license agreement or addendum with Resideo before delivery of any Offering.

**14. INDEMNIFICATION** Buyer shall indemnify, defend and hold harmless Resideo, its officers, directors, employees and agents from and against all claims, lawsuits, costs, damages and losses (including attorney's fees) caused by, or resulting from, (i) Buyer's actual or threatened breach of these Terms, (ii) Buyer's negligence in its performance hereunder, (iii) the application of the Offerings and (iv) the installation or modification made by Buyer to the Offerings other than those specifically authorized in writing by Resideo.

**15. MIXING CONTROLS** Some of Resideo's sensors and controls are specifically designed to work one with the other. Therefore, it may in some instances be unsatisfactory and/or dangerous to mix controls and/or sensors made by different manufacturers in the same installation. If Resideo's controls are used with other manufacturers' Products in a manner not recommended by Resideo, RESIDEO HEREBY DISCLAIMS ANY ASSURANCE OF SATISFACTORY OPERATION AND SHALL HAVE NO RESPONSIBILITY TO SERVICE ANY SUCH MIXED INSTALLATIONS.

**16. APPLICABLE LAW** These Terms shall be governed by the laws of the State of New York, U.S.A. without regard to or application of its principals or laws regarding conflict of laws and without regard to the United Nations Convention on the International Sale of Goods of 1980 (and any amendments or successors thereto). The parties agree that the federal and state courts located in the State of New York will have exclusive jurisdiction for resolution of disputes. The parties waive the right to jury trial.

**17. ASSIGNMENT** Buyer may not assign its rights or obligations hereunder without the prior written consent of Resideo and any purported assignment without consent shall be null and void at Resideo's option. Notwithstanding the foregoing, all rights and obligations of Buyer shall be binding upon all successors and assigns of Buyer.

**18. WAIVER** No failure by Resideo to enforce at any time for any period the provisions hereof shall be construed as a waiver of such provision or of the right of Resideo to enforce thereafter each and every provision.

**19. AMENDMENTS** These Terms and all Orders covered by them shall not be superseded, modified, or amended except upon written agreement by Resideo.

**20. COMPLIANCE WITH LAW** Buyer is responsible for compliance with all import and export laws and regulations. Buyer will obtain at its sole cost and expense all import, export and re-export approvals and licenses required for goods, transfers, services and technical data delivered and will retain documentation evidencing compliance with those laws and regulations. Buyer will be responsible for any failure of its freight forwarder to comply with all applicable export requirements. Parties will comply with all applicable laws, regulations, and ordinances of any governmental authority in any country having proper jurisdiction, including, without limitation, those laws of the U.S. or other countries that regulate the import or export of the goods.

**21. RELATIONSHIP OF PARTIES** The parties acknowledge that they are independent contractors and no other relationship, including partnership, joint venture, employment, franchise, master/servant or principal/agent is intended by this Order.

**22. SEVERABILITY** If any provision of these Terms is determined to be illegal, invalid, or unenforceable, such provision shall be deemed stricken and all remaining provisions shall continue to be valid and binding upon Resideo and Buyer.

**23. SURVIVAL** All provisions of these Terms which by their nature should continue in force beyond the term of this Order will remain in force after termination of this Order.

**24. NOTICES** All notices required to be given by the parties relating to this Order and/or these Terms must be made in writing to the authorized representative of the party at the address stated in the Buyer's purchase order. Notices under these Terms will be deemed given when:

(a) hand delivered; (ii) one business day after deposit for next-day delivery with a commercial overnight carrier; or (iii) two calendar days after mailing by certified mail, return receipt requested and postage prepaid.

**25. RETURNS** Offerings may not be returned to Resideo without Resideo's prior written authorization. Any Offerings returned are subject to Resideo's Returned Goods Policy and restocking fees shall apply.