



SALES POLICIES

Material and services sold by Proxess are subject to the terms and conditions set forth in the sales policy outlined in the following terms. Different terms set forth by the Buyer will not be binding on Proxess unless agreed upon in writing by an authorized officer of Proxess, LLC.

Terms: Terms are 30 days net. Past due invoices will be subject to a service charge of 1.5% per month. Buyer will pay reasonable collection and attorney's fees incurred by Proxess to enforce past due collection. Buyer is deemed to have accepted these Terms on the earlier of Buyer's (a) acceptance of a Proxess Purchase Order ("PO"), (b) submission of a non-Proxess PO, notwithstanding anything contained in the PO to the contrary, (c) payment of any deposit or other amounts due for products, (d) receipt of products or (e) any other event constituting acceptance at law.

Delivery and Title: All shipments will be F.O.B. Shipping Point, and title and risk of loss will pass to the Buyer when accepted by the freight company. Proxess reserves the right to make partial shipments and/or ship from multiple locations unless the Buyer specifies otherwise. Proxess reserves the right to ship via its preferred carrier. Buyer agrees to comply with all applicable export laws, codes and licenses of the U.S. and other applicable jurisdictions in the use and resale of Proxess products including Buyer's acceptance of responsibility for the payment of any relevant taxes or duties, etc. Buyer agrees to arrange for adequate insurance against loss of, or damage to, product(s) purchased between the time of delivery and final payment,

Security Interest: Buyer grants Proxess a purchase security interest in each product sold by Proxess to Buyer in the amount of the purchase price satisfied by full payment of the invoice amount.

Prices: All previous prices are superseded by this Price List. Prices are subject to change without notice and are in effect as of the shipping/invoice date. Prices exclude any federal, state, local or other governmental taxes applicable to the sale. International sales are subject to applicable transportation and import duties, insurance and licenses. Proxess will not accept responsibility for and will not accept back charges for the cost of material or labor without prior written approval.

Change, Cancellation, and Rush Charges:

Changes may result in delays of the scheduled ship date. Cancellations and changes will not be allowed when custom material has been prepared or assembled. Custom products include but are not limited to: custom locks, finishes, cards, transponders, auxillary communication devices, tags with custom printing and modified products such as custom colors, size, custom reader configuration or firmware. Proxess reserves the right to treat additions to orders as separate orders and apply charges for changes, cancellations or rush charges.

Returns: Returned material will not be accepted without prior written authorization from Proxess. Prior authorization will include a Returned Goods Authorization Number (RGA #) and the Buyer will include a written explanation of problem or defect (with RGA #) enclosed in the box and the RGA # clearly marked on the outside of the box. Authorized returns must be sent freight prepaid in new, unused condition and will be subject to a minimum 20% restocking charge. For questions, please contact rma@proxess.com.

Back Charges: Proxess will not accept responsibility for and will not accept back charges for the cost of material or labor by the Buyer or a third party without prior written approval from Proxess, LLC.

Limited Warranty: Proxess warrants that its products are free from defects in materials and workmanship. The warranty applies only to the Buyer and does not extend to any other party. Items not included in Proxess' warranty are conditions in which Proxess has no control, including: catastrophe, improper installation or maintenance, modification, misuse, tampering or disassembly, undue electrical discharge or lightning strike, improper storage, violation of written instructions or use outside its intended and normal manner. Remedy to the buyer will be defined as repair to defective parts or credit or reimbursement for the defective product in an amount not to exceed the purchase price. Proxess reserves the right to replace any product under warranty with new or remanufactured product. Proxess will not be responsible for back charges, labor costs of removal or re-installation of said products. *The foregoing limited warranty is exclusive and in lieu of all other warranties, whether oral, written, implied or statutory.*



SALES POLICIES

Proxess will not be responsible for any loss or damage resulting from its products used in conjunction with other parts or systems not manufactured by Proxess. Refer to this Sales Policy for length of product warranty (lifetime, etc.) for each individual product.

<u>Model No.</u>	<u>Length of Warranty</u>
CX Series	10-Year Limited Mechanical, 2-Year Limited Electronic and Finishes
MX Series	10-Year Limited Mechanical, 2-Year Limited Electronic and Finishes
PX Series	10-Year Limited Mechanical, 2-Year Limited Electronic and Finishes

Auxillary Products: 3-Year Limited

This *Limited Warranty* sets exclusive remedies for claims based on any defect, malfunction, or non-performance of the product. Except as set forth in *Patents* section, the foregoing limited warranty is exclusive and in lieu of all other warranties, whether oral, written, implied or statutory. **NO IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE WILL APPLY.**

Product Usage Limitation: Buyer agrees not to sell or use product in a manner in which the product is not intended or modify the design for use with other products without the prior consent of Proxess, LLC.

Design Changes: Proxess reserves the right to change or discontinue the manufacturing of any products at any time without prior notice to the Buyer or to make the change to previously purchased units.

Proprietary Information: Buyer agrees that Proxess has and claims proprietary rights in the hardware, firmware, software, and ancillary products, knowledge and designs that constitute Proxess products and that it will not directly or indirectly cause any such proprietary right to be violated. Intellectual property produced in the development of custom products (such as but not limited to firmware, hardware, and technical

documentation) for a buyer will be retained as property of Proxess, LLC and may not be reproduced or redistributed by Buyer without prior written consent. The proprietary rights are considered transferred from Buyer to Proxess, LLC.

Patents: Proxess warrants that products furnished shall be supplied free of any rightful claim of a third party for infringement of any U.S. patent. If such product is deemed to infringe a third party patent, Proxess will, at its own expense and option, either procure for Buyer the right to continue using said product or replace or modify the product with a non-infringing product, or remove the product refunding the purchase price less reasonable depreciation and transportation costs paid by Buyer. This statement does not apply to any product specified to Buyer's design or the use of product in conjunction with any other product in a combination or system not furnished by Proxess as part of a transaction. Proxess assumes no liability for patent infringement for products used in combination with other products and Buyer will hold Proxess harmless against infringement arising from such claims.

Force Majeure: Proxess will not be held liable for delay, loss, damage or failure to perform due to causes beyond its reasonable control. Such causes may include but are not limited to natural disasters (floods, etc.), war, intervention of government authorities, strikes or labor disputes, unforeseen material shortages, transportation work slowdowns, vehicle accidents, Buyer acts, etc. In the event of such an occurrence beyond its reasonable control, Proxess will make adjustments to best reflect the new estimate of completion time. The Buyer's receipt of goods or services shall constitute acceptance and, therefore, a waiver of any claims for delay.

Disclaimer: Proxess makes no claims or warranties of any kind regarding product's or company's ability or effectiveness to detect or prevent physical injury or death, property damage, theft or loss of any kind. Proxess does not represent that the product cannot be circumvented or compromised. Proxess will not be liable for any personal injury, death, property damage or loss of any kind to purchaser or others, whether directly, indirectly, incidentally, or otherwise, caused by the operation,



SALES POLICIES

nonoperation, functioning, malfunctioning or misuse of the product.

Indemnification. Where Proxess provides Products manufactured or provided according to Buyer specifications, the Buyer is liable for any damages, liability, claims, suits and costs, including attorneys' fees, relating to such Products. Buyer agrees to indemnify and hold Proxess and Proxess' agents harmless for any related liability whatsoever, including attorneys' fees and costs.

Responsibility for compliance with laws. Buyers are solely responsible for complying with all applicable federal, national, state, regional and local laws, regulations and ordinances relating to the use, transport, and your distribution of Products.

Jurisdiction/Venue. In the event of any disagreement whatsoever between Proxess, Buyers agree that only courts located in Douglas County, Colorado or the U.S. Federal court in Denver, Colorado will have jurisdiction over that disagreement. Buyers agree that such courts may exercise personal and subject matter jurisdiction over the Buyer and the disagreement without objection. Colorado law and U.S. Federal law will control any disagreement, without regard to any conflict of laws provisions.

Severability. The provisions of these Dealer Terms will be deemed severable, and the invalidity, illegality or unenforceability of any provision of such Terms will not affect the validity or enforceability of any other provisions. If any provision of these Terms is found to be invalid, illegal, or unenforceable, such provision will be modified in a manner that gives effect to the intent of the parties.

Entire Agreement. These Terms, including any PO, Warranty, Warranty Exclusions, and RMA Policy, constitute the entire agreement and supersede any oral or prior written agreement between the Buyer and Proxess.

Exclusion of Other Claims. Buyers have evaluated the risks of failure of Proxess Products and that risk is reflected in the price paid. Proxess make no claims or warranties of any kind regarding any Product's or company's ability or effectiveness to detect or prevent physical injury or death, property damage, theft or loss of any kind.

Proxess does not represent that Proxess Products cannot be circumvented or compromised.

IN CONSIDERATION OF THE LIMITED WARRANTY AND SPECIFIED REMEDIES IN THESE TERMS, THE BUYER WAIVES ANY AND ALL OTHER CLAIMS AND CAUSES OF ACTION AGAINST PROXESS AND OUR LICENSORS, EMPLOYEES, AFFILIATES, AGENTS, INDEPENDENT CONTRACTORS AND ASSIGNS RELATING TO THE DESIGN, MANUFACTURE, SALE, INSTALLATION, USE AND OPERATION OF THE PRODUCTS PURCHASED, INCLUDING, WITHOUT LIMITATION, CLAIMS FOR DAMAGES OF ANY KIND BASED ON BREACH OF CONTRACT, STRICT LIABILITY, PRODUCTS LIABILITY, NEGLIGENCE OR OTHER FAULT OF PROXESS, WHETHER KNOWN OR UNKNOWN.

Applicable Governing Law: Terms and conditions of these policies will be subject to the laws of the State of Colorado – Douglass County. These Terms will survive the termination of any agreement between Proxess and the Buyer.