

States, all Products will be sold "Ex-works, Company's factory (Incoterms 2010)." In either instance, title and risk of loss will pass to Customer upon delivery to the carrier at Company's factory, provided, however, as set forth herein, Company shall retain a security interest in the Deliverables until full payment has been made therefore, and Customer agrees, upon request, to do all things and acts necessary to protect Company's interest by adequately insuring the Deliverables against loss or damage from any cause and to have Company named as an additional insured. Customer will promptly provide Company with a copy of the relevant certificate of insurance upon Company's request.

## 11. SHIPPING & SHIPPING PROGRAMS.

a. **Freight Charges.** Company will ship all Deliverables in accordance with Company's freight shipment guidelines, which are set forth on the Allegion customer website ("Freight Shipping Guidelines"), **WHICH TERMS ARE EXPRESSLY INCORPORATED HEREIN.**

b. **Rush Charges.** Expedited order options are available as set forth in Company's freight shipping guidelines.

c. **Packing and Marking.** Company will pack, mark, and ship Deliverables according to its standard procedures for shipment, unless the parties agree, in writing, that Company will comply with any special instructions provided by Customer. Special instructions may result in an increased price.

d. **International Shipments.** For all international orders, a Shipper's letter of instruction must be submitted in writing with the order. Failure to do so will result in the order being rejected. Complete adherence to this order requirement will be strictly enforced. Company will not be held liable for any charges resulting from delays due to lack of complete required information being supplied.

e. Once received by the Company, a purchase order cannot be combined with any other order to qualify for freight allowances. In addition, Customer may not combine any Company brands or product categories on a single order to meet the applicable net freight allowance, except in the case of: i) FastTrack 24 Hour/5 Day Program, which is available for Schlage, Von Duprin, LCN and Glynn-Johnson products; ii) FastTrack 24 Hour/3 Day Program, which is available for Falcon Locks, Exits and Closers and Ives products. When an order includes products from the brands listed in both (i) and (ii) above, the order will automatically default to the FastTrack 24 Hour/5 Day Program lead times and freight allowance.

**12. CLAIMS.** All claims must be submitted in writing to Company as follows: (i) All claims for prices must be submitted within thirty (30) days from the date of invoice; (ii) All claims regarding Deliverable quantity or incorrect orders must be submitted within ten (10) days from the date of delivery; (iii) All claims for damage to Deliverables (while in the care, custody, and control of Company) must be submitted within thirty (30) days from the date of invoice; (iv) All claims for loss or damage to Deliverables while in the care, custody, and/or control of a carrier will be the responsibility of Customer, unless otherwise agreed by the parties.

**13. PRODUCT CHANGES.** Company's product policy is one of ongoing update and revision, and accordingly, Company reserves the right to change, without notice, the design of, or the process of manufacturing, the Deliverables covered by this Agreement.

**14. PRODUCT USAGE LIMITATION.** Customer agrees: (i) not to sell or use a Deliverable in any manner contrary to the manner in which the Deliverable is intended to be used; and/or (ii) not to modify the design of any Deliverable for use with another product without the prior written consent of Company.

**15. PRODUCT RETURNS.** Unless otherwise agreed by the parties in writing, Deliverables that are correctly furnished by Company per the purchase order may not be returned unless Customer receives written authorization from Company. If returns are authorized by Company, a return merchandise authorization ("RMA") number must be provided by Company. Deliverables identified under such RMA must be returned to Company within 90 days of issuance of the RMA. Such RMA number and any accompanying RMA documents, the original invoice number, and a written explanation for the return must be included with the returned Deliverables in order for Company to inspect and approve a credit for the return. For warranty returns, a credit in the amount of the original purchase price will only be issued if, after Company's receipt and inspection of the returned Deliverables, Company confirms, in its sole discretion, the defect is valid and approves the return. For non-warranty returns, (a) in the event Company approves such a return, a credit will be made to Customer's account in the amount of the original purchase price less freight and a handling charge of 35% of the net material on the original invoice; and (b) Only Deliverables that are new, current, standard, non-obsolete, non-specially manufactured, unused, in their original condition as at the time of sale by Company to Customer, in their original packaging and in Customer's inventory less than 180 days from the date of shipment by the Company may be considered by Company for return. Such credit will only be issued if, after Company's receipt and inspection of Deliverables, Company approves the return. The amount of final credit will be determined upon receipt at the factory and following Company's inspection and analysis of the condition of the returned material. Company retains the right to deny credit to anyone for any reason.

## 16. CONFIDENTIAL INFORMATION.

a. **Non-Use And Non-Disclosure.** Customer shall not use the Confidential Information of the Company except for the purpose of performing its obligations under this Agreement or exercising the rights granted herein (the "Purpose"). Customer shall protect Confidential Information of the Company from disclosure and unauthorized use in the same manner that it protects its own Confidential Information, but in no event shall such standard of care be less than reasonable care. Customer may disclose Confidential Information of the Company only to its employees who require such information for the Purpose and who are subject to confidentiality obligations at least as protective as those set forth herein.

b. **Proprietary Information and Advice.** (a) All designs, data, and specifications provided by Company are proprietary and may not be disclosed or reused by Customer without the prior written consent of Company; (b) Company assumes no obligation or liability for any advice given by Company, the results obtained, or damages incurred as a result of such advice, and all such advice is given and accepted at Customer's risk.

c. **Return.** Upon the termination or expiration of a purchase order or this Agreement or upon the request of the Company, the Customer agrees to end all further use of, to immediately return to the Company the original version of, and to delete or destroy all copies of, any and all Confidential Information of the Company.

**17. TRADEMARKS.** Except as agreed to by Company in writing, Customer agrees not to (a) use Company's name in any form of publicity; or (b) use, create, register or market, directly or indirectly, in whole or in part, Company's names, logos, brands, or any other trademarks, or names that are now or may hereafter be owned by Company, as part of

Customer's corporate or business name, as part of an internet domain name, uniform resource locator (URL), or in any way connected with Customer's business, trade address or other designations. Upon termination of this Agreement or upon the request of company for any reason, any use of Company's trademarks or names will be immediately discontinued.

## 18. LIMITED WARRANTY.

**COMPANY MAKES NO OTHER WARRANTIES EXCEPT THOSE STATED IN COMPANY'S LIMITED WARRANTY IN EFFECT ON THE DATE COMPANY ACCEPTS EACH APPLICABLE PURCHASE ORDER ("LIMITED WARRANTY"). THE LIMITED WARRANTY MAY BE FOUND IN THE APPLICABLE PRICE BOOK AND ON THE ALLEGION CUSTOMER WEBSITE, WHICH TERMS ARE EXPRESSLY INCORPORATED HEREIN BY REFERENCE. COMPANY WILL MAIL CUSTOMER A HARD COPY OF THIS WARRANTY UPON CUSTOMER'S WRITTEN REQUEST. IN THE EVENT THAT CERTAIN DELIVERABLE WARRANTIES ARE NOT FURNISHED BY THE COMPANY TO CUSTOMER, COMPANY WARRANTS ONLY TO CUSTOMER THAT THE DELIVERABLES WILL BE FREE FROM DEFECTS IN MATERIAL AND WORKMANSHIP FOR A PERIOD OF 12 MONTHS FROM THE DATE OF SHIPMENT OF THE DELIVERABLES. COMPANY'S SOLE OBLIGATION UNDER THIS WARRANTY IS LIMITED TO REPAIRING OR REPLACING, AT COMPANY'S OPTION, THE DEFECTIVE DELIVERABLE, PROVIDED WRITTEN NOTICE OF THE DEFECT OR NONCONFORMANCE IS PROVIDED BY CUSTOMER WITHIN 30 DAYS OF DISCOVERY OF THE DEFECT OR NONCONFORMANCE. COMPANY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE DELIVERABLES, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE.**

a. **Exclusions.** The provisions of this Limited Warranty do not apply to Deliverables that: (A) are not the proper size for the application; (B) are not installed in accordance with Company's published installation instructions; (C) are installed with improper or incorrect parts and/or are used for purposes for which they are not designed or intended; (D) have been repaired or altered without the Company's prior written consent; (E) have been subjected to misuse, abuse, negligence or accident; (F) have been improperly stored, installed, maintained or operated; (G) have been used in violation of written instructions provided by Company to Customer; (H) have been subjected to improper temperature, humidity, or other environmental conditions, or (I) have been affected by normal wear and tear. In addition, the provisions of this Limited Warranty do not apply to any defects or issues with the design or performance of equipment or products not manufactured by Company, nor does it apply to any code compliance or permit requirements for the assembly, installation, erection or construction of any goods. Company is not responsible for loss or damage resulting from use of Deliverables in conjunction with parts or systems not manufactured by Company. Accessories or products furnished by the Company, but manufactured by others, shall carry whatever warranty the manufacturers have conveyed to the Company and which can be passed to Customer.

b. **Services.** Company warrants that its services will be free from defects in material and workmanship for a period of 12 months from the date of completion of the particular items of service. Company's sole obligation under this service warranty is limited to repair or reperformance, at its option of the service, provided however, if repair or reperformance is either impractical or impossible, the Company will refund to Customer that portion of the price paid to Company for any defective service, provided written notice of the defect or nonconformance is provided by Customer within 30 days of discovery of the nonconformance.

c. **Notification.** Customer agrees to immediately notify Company in writing if any claim is made against Customer for any damages caused by any modules, parts, products, service or other Deliverables which may be the direct result of any defect in the manufacture of such aforementioned products. Customer agrees to cooperate with Company and its counsel in the defense of such claim and Customer agrees not to settle such claim without Company's written consent. If Customer fails to notify Company of such claim or fails to cooperate in such defense as aforesaid, then Company shall be discharged from any obligations under this Section and shall have no further liability to Customer.

d. **Exceptions.** The following costs and expenses are not covered by the provisions of these limited warranties: (i) labor costs for the removal and reinstallation of Deliverables or other manufacturer's products; (ii) shipping and freight expenses required to return Deliverables to Company; (iii) normal maintenance; and (iv) economic losses. In addition, the provisions of this warranty are not applicable to anything other than defects in Company's material (products only) or workmanship.

## 19. LIMITATION OF REMEDIES.

**CUSTOMER'S EXCLUSIVE AND SOLE REMEDY ON ACCOUNT OF, OR IN RESPECT OF, THE FURNISHING OF NON-CONFORMING DELIVERABLES, SHALL BE TO (A) SECURE REPAIR OR REPLACEMENT OF THE PRODUCTS; OR (B) SECURE REPAIR OR RE-PERFORMANCE OF THE SERVICES OR TO OBTAIN A REFUND OF THE PRICE PAID FOR THE DEFECTIVE SERVICE, ALL AT COMPANY'S OPTION. IN NO EVENT WILL THE COMPANY'S MAXIMUM LIABILITY EXCEED THE SELLING PRICE FOR THE DELIVERABLE. THE WARRANTY, OBLIGATIONS AND LIABILITIES OF COMPANY (INCLUDING ITS SUPPLIERS) AND THE RIGHTS AND REMEDIES OF CUSTOMER ARE EXCLUSIVE AND ARE IN LIEU OF AND CUSTOMER HEREBY WAIVES AND RELEASES ALL OTHER WARRANTIES, OBLIGATIONS, REPRESENTATIONS OR LIABILITIES EXPRESS OR IMPLIED ARISING BY LAW, IN CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE, INCLUDING BUT NOT LIMITED TO (I) ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY WARRANTY IMPLIED THROUGH COURSE OF PERFORMANCE, COURSE OF DEALING, OR USAGE OF TRADE OR (II) CLAIMS ARISING OUT OF THE NEGLIGENCE OF COMPANY OR COMPANY'S SUPPLIERS OR (III) ANY OTHER CLAIM ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM THE PERFORMANCE OF COMPANY OR FROM THE DESIGN, MANUFACTURE, SALE, REPAIR, LEASE OR USE OF THE DELIVERABLE, OR ANY COMPONENT THEREOF, DELIVERED OR RENDERED HEREUNDER OR OTHERWISE.**

**20. INDEMNIFICATION AND LIMITATION OF LIABILITY.** a. Customer shall indemnify, defend and hold Company, and its officers, directors, employees, customers, Affiliates, suppliers, users and agents, (collectively the "Indemnitees") harmless from and against any and all damages, claims, losses, expenses, costs, obligations, liabilities, including without limiting the generality of the foregoing, liabilities for court costs and attorneys' fees, suffered directly or indirectly by an Indemnitee by reason of, or arising out of, any injury, death or loss to any person, or injury to any property (collectively, "Damages"), received or sustained by any person(s) or property, arising out of, occasioned by, attributable or related to i) any breach of any representation or warranty made by Customer, its officers,