TERMS AND CONDITIONS OF SALE

The conditions set forth herein will apply to the sale of the material described herein notwithstanding any other conditions contained in Buyer's purchase order. If these Conditions of Sale are attached to any proposal, bid, or quotation provided by Napco that identifies a product, price, delivery time and location, and quantity, then Buyer acknowledges that these Terms and Conditions, when combined with the proposal, bid, or quotation to which they are attached, constitutes an offer and that Buyer's assent to such offer is sufficient to conclude a legally binding contract. Napco's performance is conditioned on Buyer agreeing to each of these Conditions of Sale and Napco objects to and rejects any and all terms or conditions that are additional to or different from those set forth in these Conditions of Sale. Further, the parties agree that these Conditions of Sale, if provided in response to Buyer's order document, constitute a counteroffer and that Buyer's submission of an order document with mutually agreed product, price, delivery time and location, and quantity constitutes an acceptance of such counteroffer without giving effect to any differing or additional terms or conditions that might be attached to such order document.

1. General Definitions.

Agreement" means these General Terms and Conditions, along with all Statements of Work, schedules, exhibits, links and addenda that the Parties agree to incorporate into these General Terms and Conditions and the order quantities and shipping locations for specific Offerings set forth in any Purchase Orders issued hereunder, as amended or modified from time to time. **"Napco**" means, collectively, the Affiliate(s) of Napco Security Technologies, Inc., to the extent entering into this Agreement. "**Buyer**" means, collectively, the entity(ies) executing or assenting to this Agreement other than Napco. "**Documentation**" means any documentation (including any technical or legal requirements) specifically provided with an Offering (or otherwise specifically referenced in this Agreement or any Purchase Order), but excluding marketing materials, customer correspondence and similar collateral. "**Affiliate**" means any entity that controls, is controlled by, or is under common control with, another entity. An entity "controls" another if it possesses directly or indirectly the power to direct the management and policies of the entity. "**Fees**" means the amounts payable by Buyer to Napco under the terms of this Agreement or any applicable Purchase Order. **"Offering(s)**" are the software, software-as-a-service, hardware, products, services, deliverables, support services and/or other offering(s) or related materials or rights for which Buyer has contracted and are identified in any Purchase Order issued under this Agreement. "**Purchase Order**" is a written order from Buyer and accepted by Napco for the purchase, use and/or licensing of Offerings, as contemplated by this Agreement. For the avoidance of doubt, references to any Purchase Order shall not include any Terms and Conditions from Buyer contained therein, it being the agreement of the Parties that the General Terms and Conditions in this Agreement shall be binding. "**Parties**" means Napco and Buyer and "Party" means either, individually. "**Products**" means the hardware, products or other tangible materials set out identified in the Purchase Order. Products are an Offering under this Agreement. "**Effective Date**" means the date listed as the effective date in this Agreement, or if no such date is listed, the date this Agreement is entered into by the last of the Parties to do so.

2. Payments.

Unless Buyer has been approved for credit terms by Napco, payment for all orders will be made at the time of order placement.

In the event Buyer has been approved for credit terms, payment for that order will be due no later than 30 calendar days from the date of the invoice, unless a shorter time period is specified on the invoice or otherwise communicated to Buyer in writing. Napco will determine in its sole discretion if Buyer qualifies for credit terms. If credit terms are granted, Napco may change Buyer's credit terms at any time in its sole discretion and may, without notice to Buyer, modify or withdraw credit terms for any order, including open orders. Napco may, at its sole discretion require additional security (e.g., bank guarantee, standby letter of credit, corporate guarantee, etc.) for a Buyer with no established credit terms and will be determined by Napco on a case-by-case basis.

Partial shipments will be invoiced as they are shipped. Napco is not required to provide a hard copy of the invoice and may submit invoices electronically. Payments must be made in USD currency unless agreed otherwise in writing. Payments by credit card are subject to approval by Napco, and all payments by credit card are subject to a 3.5% processing fee. For payments made via electronic fund transfer Buyer will send an email to accountsreceivable@napcosecurity.com on or before the date of such electronic fund transfer advising remittance detail containing at a minimum the Buyer's order number, Napco's invoice number and amount paid per invoice.

Payments must be in accordance with the "Remit To" field on each invoice. If Buyer makes any unapplied payment and fails to reply to Napco's request for instruction on allocation within seven (7) calendar days, Napco may set off such unapplied cash amount against any Buyer past-due invoice(s) at its sole discretion. An unapplied payment shall mean payment(s) received from Buyer without adequate remittance detail to determine what invoice the payment(s) shall be applied to Disputes as to invoices must be accompanied by detailed supporting information and are deemed waived 15 calendar days following the invoice date. Napco reserves the right to correct any inaccurate invoices. Any corrected invoice or invalid dispute must be paid by the original invoice payment due date or the issuance date of the corrected invoice, whichever is later. Buyer must pay the undisputed amount of the invoice within the original invoice payment due date. If Buyer is delinquent in its payment obligations to Napco for any undisputed amount, Napco may, at Napco's sole option and until all delinquent amounts and late charges, if any, are paid: **a.** be relieved of its obligations with respect to guarantees; **b.** refuse to process any credit to which Buyer may be entitled; **c.** set off any credit or sum owed by Napco to Buyer against any undisputed amount owed by Buyer to Napco including but not limited to amounts owed under any contract or order between the Parties; **d.** withhold performance, including, without limitation, suspending all work, the prior grant of any license rights and future shipments to Buyer; **e.** declare Buyer's performance in breach and terminate any order; **f.** repossess products, reports, technical information or any other items delivered pursuant to this Agreement for which payment has not been made; **g.** deliver future shipments on a cash-with-order or cash-in-advance basis; **h.** assess late charges on delinquent amounts at a rate of 1.5% per month or the maximum rate permitted by law, if lower, for each month or part thereof; **i.** charge storage or inventory carrying fees on products, parts, or raw material; **j.** recover all costs of collection including, without limitation, reasonable attorneys' fees; **k.** if Buyer is delinquent on a payment schedule, accelerate all remaining payments and declare the total outstanding balance then due and owing; **l.** require Buyer provide Napco, a payment improvement plan on terms and conditions satisfactory to Napco, as signed and assured by Buyer's senior finance officer that may include, but not limit to additional security (e.g., bank guarantee, standby letter of credit, corporate guarantee, etc.); or combine any of the above rights and remedies as may be permitted by applicable law.

3. Minimum Order Quantity.

Depending on Buyer's local region and the Products being purchased, Napco may impose a minimum order value, minimum order quantities and premium fees for custom orders or orders below the imposed minimum thresholds.

4. Order Cancellation.

If Buyer cancels the Order or any portion thereof, it will owe a cancellation fee equal to fifty percent (50%) of the amount canceled under the Order. Napco may cancel Orders at any time prior to shipment.

If the cancellation fees and costs are not paid in full by Buyer, or if Napco has already begun production of any portion of the Order, Napco may elect to ship the Order and invoice the Buyer for the full amount owed under the Order in lieu of assessing the cancellation fee. Without limiting the generality of the foregoing, Buyer acknowledges and agrees that Napco's salvage, storage or resale of Product might be impossible or impracticable and that if Buyer is responsible for transportation (or arranging for transportation) of product(s) and fails to do so by the agreed pick-up date, Napco may, at Buyer's cost and without modifying or affecting the title, risk of loss, and delivery terms under the Agreement, secure transportation to deliver the product to Buyer's location or secure reasonable storage facilities to warehouse the Product(s).

5. Pricing.

a. Unless otherwise specified in writing by Napco, prices for Offerings shall be as set forth in the Napco price book in US Dollars at the time a Purchase Order is accepted. Napco reserves the right to update the price for each Products to the price in effect on the date of delivery for the Product and will issue a revised Order Acknowledgement or invoice to Buyer that reflects any updated pricing. For the avoidance of doubt, upon Buyer's acceptance of Products pursuant to the section titled Acceptance, Buyer shall be deemed to have accepted the updated pricing contained in the revised Order Acknowledgement or invoice. Prices, terms, conditions, and Offering specifications are subject to change without notice; provided, however, that Napco will endeavor to provide at least thirty (30) days' written notice of any changes. Pricing is subject to immediate change upon announcement of Offering discontinuance. Napco reserves the right to correct any invoices noting incorrect pricing at any time, including invoices previously paid by Buyer.

b. Napco reserves the right to monitor Buyer's Purchase Orders during the period between notification of and the effective date of any price increase, if any. If the dollar value of Buyer's Purchase Orders during that time period is two percent (2%) higher than monthly forecasted or historic purchases determined by averaging the prior three (3) months, Napco reserves the right to charge the increased price on the excess.

c. All Purchase Orders with price deviations or promotional pricing require the appropriate promotion or deviation code (competitive price request code correlating to the approved discount from a discount agreement with

Napco). Any Purchase Orders with price discrepancies that do not contain a promotion or price deviation code will receive a price discrepancy notice from Napco Customer Service for resolution. Buyer has 48 hours to provide an updated Purchase Order or accept Napco's pricing (in writing); otherwise, the Purchase Order may be cancelled. Please refer to the Napco Price List (or consult your Napco representative for your specific codes).

6. Set Off.

Neither Buyer nor its affiliated entities (nor any representative or agent thereof) shall attempt to set off or recoup any invoiced amounts or any portion thereof against other amounts that are due or may become due from Napco, its parent, affiliates, subsidiaries or other legal entities, business divisions, or units.

7. Taxes & Duties.

Napco's pricing excludes all taxes (including sales, use, excise, environmental, value-added, and other similar taxes or fees imposed on the sale or transfer of goods or provision of services under this Agreement), tariffs and duties (including amounts imposed upon the Offering(s) or bill of material thereof under any Trade Act, including the Trade Expansion Act, section 232 and the Trade Act of 1974, section 301) and charges (collectively "Taxes"). Buyer will pay all Taxes resulting from this Agreement or Napco's performance under this Agreement, whether imposed, levied, collected, withheld, or assessed now or later. If Napco is required to impose, levy, collect, withhold, or assess any Taxes on any transaction under this Agreement, then in addition to the purchase price, Napco will invoice Buyer for such Taxes unless, at the time of Purchase Order placement, Buyer furnishes Napco with a valid exemption certificate or other documentation sufficient to verify exemption from the Taxes, including a direct pay permit. If any Taxes are required to be withheld from amounts paid or payable to Napco under this Agreement, (i) the amount due to Napco will be increased so that the amount Napco receives, net of the Taxes withheld, equals the amount Napco would have received had no Taxes been required to be withheld, (ii) Buyer will withhold the required amount of Taxes and pay such Taxes on behalf of Napco to the relevant taxing authority in accordance with applicable law, and (iii) Buyer will forward proof of such withholding sufficient to establish the withholding amount and recipient to Napco within sixty (60) days of payment. In no event will Napco be liable for Taxes paid or payable by Buyer.

8. Termination & Suspension of Performance.

Napco may terminate this Agreement and any or all unperformed Purchase Orders immediately upon notice to Buyer upon the occurrence of any of the following events: (a) Buyer fails to perform or breaches any of its obligations and covenants under this Agreement, and such default continues for more than sixty (60) days after written notice specifying the failure to perform or breach (unless such breach is determined to be incapable of cure, determined in Napco's sole discretion, in which case termination is effective immediately); (b) Buyer fails to make any payment hereunder due within five (5) calendar days after written notice of such non-payment;
(c) attempted assignment of this Agreement except as provided in the Assignment clause; (d) Buyer experiences one or more of the of the following insolvency-related circumstances: (i) it ceases to function as a going concern or to conduct its operations in the normal course of business (including an inability to meet obligations as they mature), (ii) a receiver is appointed for its assets, (iii) bankruptcy or insolvency proceedings are brought by or against it, or (iv) it makes an assignment for the benefit of creditors, or (v) here is an adverse change in Buyer's creditworthiness or an attempt to obtain protection from creditors or wind down operations; (e) Buyer violates

the law or any of its owners, officers, principals, members or partners is indicted or convicted on charges of felony, conversion, embezzlement or any morally reprehensible act which could, in Napco's sole discretion, adversely impact Napco; or (f) Buyer engages in any conduct or practice which, in Napco's sole discretion, is or could be detrimental or harmful to the good name, goodwill and reputation of Napco or its Offerings. Termination does not affect any debt, claim, or cause of action accruing to any party against the other before the termination. Upon termination or expiry: (a) Buyer must pay all amounts due; and (b) if requested, return or destroy all Confidential Information and certify the same in writing; except for automatically generated backup copies, anonymized data or if maintained for legal purposes. The rights of termination provided in this clause are not exclusive of other remedies that a party may be entitled to under this Agreement or in law or equity, including payment for services performed and for losses sustained for materials, tools, construction equipment and machinery, reasonable overhead, profit, and applicable damages. Napco may suspend performance under this Agreement at Buyer's expense if Napco determines that performance may violate the law and/or cause a safety, security, or health risk.

9. <u>Buyer Purchase Orders</u>.

Purchase Orders will specify: (1) Purchase Order number; (2) Napco's part number including a general description of the Offering(s); (3) requested delivery dates, which will be no shorter than the published or contracted lead time; (4) price (non-catalog prices must reference either a valid Napco contract or quote number); (5) quantity; (6) location to which a Product is to be shipped; (7) any special routing, packing, labeling, handling or insurance requested by Buyer, if applicable (with the understanding that this may result in additional Fees payable); [and] (8) location to which invoices will be sent for payment. Purchase Orders are subject to Napco's acceptance explicitly in writing or upon Napco's delivery of an Offering. Napco reserves the right to limit order quantities. For avoidance of doubt, Napco's order acknowledgment will not constitute acceptance and Napco reserves the right to reject any Purchase Order in its sole discretion and for any reason. Any Purchase Orders provided under this Agreement serve to identify the information referenced above and shall not, in themselves, create any commitment binding upon the Parties. For the avoidance of doubt, references to any Purchase Order under this Agreement shall not include any Terms and Conditions from Buyer contained therein, it being the agreement of the Parties that the General Terms and Conditions in this Agreement shall be binding.

For all product sales, the shipment terms are Ex-Works Napco Dock.

10. <u>Limited Warranty</u>.

BUYER'S EXCLUSIVE REMEDIES AND NAPCO'S SOLE LIABILITY AS TO ANY WARRANTY CLAIM ON ANY PRODUCT SOLD IN CONNECTION WITH THIS AGREEMENT IS AS SET FORTH IN THIS SECTION. SUCH REMEDIES ARE IN LIEU OF ANY OTHER LIABILITY OR OBLIGATION OF NAPCO, INCLUDING WITHOUT LIMITATION ANY LIABILITY OR OBLIGATION FOR DAMAGE, LOSS, OR INJURY (WHETHER DIRECT, INDIRECT, EXEMPLARY, SPECIAL, CONSEQUENTIAL, PUNITIVE OR INCIDENTAL) ARISING OUT OF OR IN CONNECTION WITH THE DELIVERY, USE, OR PERFORMANCE OF THE PRODUCTS. CREDIT, REPAIR OR REPLACEMENT (AT NAPCO'S OPTION) IS THE SOLE REMEDY PROVIDED HEREUNDER. NO EXTENSION OF THIS WARRANTY WILL BE BINDING UPON NAPCO UNLESS SET FORTH IN WRITING AND SIGNED BY A NAPCO AUTHORIZED REPRESENTATIVE

a. **<u>Product Warranty Terms</u>**. Subject to compliance this Section 10, Napco warrants that the Products will be free from defects in workmanship and materials for the relevant period of time published by Napco on the relevant

Product website or in a separate Agreement between Napco and Buyer (the "Warranty Period"). This limited warranty does not cover defects caused by normal wear and tear or maintenance. Napco's sole liability and Buyer's exclusive remedy, which shall be determined in Napco's sole discretion, is limited to replacement or repair of the relevant Product(s) or a credit for the purchase price of the relevant Product, less depreciation. The Warranty Period does not restart for replacement Products, and any replacement Products will only be warranted for the remainder of the original Warranty Period, if any.

b. **Warranty Exclusions**. THIS WARRANTY IS VOID WITH RESPECT TO ANY PRODUCT OR SERVICE THAT IS:
   1. Software
   2. altered or repaired by anyone other than Napco's authorized employees or agents;
   3. installed, used, serviced, or maintained in a manner that fails to conform with Napco Product documentation or training;
   4. lost or damaged, tampered with, or destroyed due to (i) rough or negligent treatment of the Product (including, without limitation, damage during shipment back to Napco caused by improper packaging on return); (ii) an act of God (including, without limitation, lightning or related voltage surges); or (iii) any other cause not within Napco's control, including, without limitation, Buyer's failure (or that of its Customers) to apply required or recommended updates or patches to any Software or device in the Product's network environment.
   5. Technical Advice. Any recommendation or assistance provided by Napco concerning the use, design, application, or operation of an Offering shall not be construed as representations or warranties of any kind, express or implied, and such information is accepted by Buyer at Buyer's own risk and without any obligation or liability to Napco. It is the Buyer's sole responsibility to determine the suitability of an Offering for use in Buyer's application(s). The failure by Napco to make recommendations or provide assistance shall not give rise to any liability for Napco.

c. **Procedure for Warranty Claims**. If, during the applicable Warranty Period, Buyer believes there is a defect in material or workmanship covered by the relevant Product warranty, Buyer must immediately discontinue use and notify Napco. A case number must be obtained from Napco's technical support, and written authorization from Napco must be obtained with an approved Returned Material Authorization (RMA) number prior to returning any Product(s) to Napco for warranty assessment. Return shipments and insurance must be prepaid by Buyer must be appropriately packed and must be made within 30 days after Buyer identifies or should have identified the defect. Upon receipt of any such Product during the applicable Warranty Period, Napco shall, at its expense, (i) examine the Product to verify the alleged defect or (ii) in Napco's sole discretion, credit Buyer or repair or replace any defective Product, including shipment of such replacement or repaired Product back to Buyer (at Napco's expense). Napco will credit Buyer for its return shipping costs for any defective Products, but Buyer will be responsible for paying any customs or import duties payable upon receipt of any repaired or replacement Products and also paying Napco a standard testing charge for any Products not found to be defective.

11. Warranty Disclaimer.

a. EXCEPT AS EXPRESSLY STATED IN THIS AGREMENT, ALL OFFERINGS ARE PROVIDED "AS IS" WITHOUT ANY WARRANTY OF ANY KIND AS TO DEFECTS OR FUNCTIONALITY. BUYER BEARS ALL RISK AS TO OFFERINGS, AND NAPCO MAKES NO OTHER WARRANTIES IMPLIED OR ACTUAL REGARDING ANY OF ITS OFFERINGS AND DOCUMENTATION.

b. THE EXPRESS WARRANTIES OF NAPCO STATED HEREIN DO NOT APPLY TO PRODUCTS THAT ARE NORMALLY CONSUMED IN OPERATION OR WHICH HAVE A NORMAL LIFE

INHERENTLY SHORTER THAN THE STATED WARRANTY, INCLUDING CONSUMABLE ITEMS, AND SPARE PARTS NOT MANUFACTURED BY NAPCO. NAPCO MAKES NO WARRANTIES THAT ANY SOFTWARE, INCLUDING EMBEDDED SOFTWARE, WILL OPERATE IN CONJUNCTION WITH ANY OTHER SOFTWARE OR WITH ANY EQUIPMENT OTHER THAN THE PRODUCTS PURCHASED FROM NAPCO HEREUNDER (TO THE EXTENT SPECIFIED IN THE DOCUMENTATION). BUYER'S WARRANTY SHALL BE VOID IF BUYER USES COUNTERFEIT OR REPLACEMENT PARTS THAT ARE NEITHER MANUFACTURED NOR APPROVED FOR USE BY NAPCO IN ITS MANUFACTURED PRODUCTS, OR IF BUYER USES ANY OFFERING IN CONTRAVENTION OF THE ACCEPTABLE USE TERMS OF THIS AGREEMENT. BUYER ACKNOWLEDGES THAT NAPCO HAS NO OBLIGATION TO PROVIDE ANY FORM OF CYBERSECURITY OR DATA PROTECTION RELATING TO THE OPERATION OF ANY PORTION OF THE OFFERING OR THE NETWORK ENVIRONMENT. BUYER FURTHER ACKNOWLEDGES THAT NAPCO HAS NO OBLIGATION TO GUARANTEE CONTINUED OPERATION AND FUNCTIONALITY OF THE OFFERING BEYOND ITS STATED WARRANTY PERIOD.

c. EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION, NAPCO MAKES NOREPRESENTATIONS OR WARRANTIES, WHETHER WRITTEN, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AND HEREBY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, NON- INFRINGEMENT AND SATISFACTORY QUALITY. NO EXTENSION OF THIS WARRANTY WILL BE BINDING UPON NAPCO UNLESS SET FORTH IN WRITING AND SIGNED BY NAPCO'S AUTHORIZED REPRESENTATIVE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, AND EXCEPT FO ANY EXPRESS GUARANTEES SET FORTH ELSEWHERE IN THIS AGREEMENT, NAPCO MAKES NO REPRESENTATION, WARRANTY OR GUARANTEE (A) AS TO THE FUNCTIONALITY OF, EFFICACY OF, OR THE RESULTS OR OUTCOMES THAT MAY BE PRODUCED BY, ANY EQUIPMENT, SOFTWARE OR WORK PROVIDED OR MADE AVAILABLE UNDER THIS AGREEMENT; (B) THAT ANY SUCH EQUIPMENT, SOFTWARE OR WORK WILL PREVENT, MITIGATE OR PROVIDE ADEQUATE WARNING OF OR PROTECTION AGAINST ANY PERSONAL INJURY, PROPERTY LOSS, BUSINESS INTERRUPTION OR OTHER DAMAGE; OR (C) THAT THE OPERATION OF ANY SOFTWARE WILL BE UNINTERRUPTED OR ERROR-FREE.

d. NAPCO IS NOT RESPONSIBLE AND SHALL HAVE NO LIABILITY FOR ANY ISSUES, PROBLEMS, UNAVAILABILITY, DELAY OR SECURITY INCIDENTS ARISING FROM OR RELATED TO: (A) CYBERATTACK; (B) THE PUBLIC INTERNET AND COMMUNICATIONS NETWORK; (C) DATA, SOFTWARE, HARDWARE, SERVICES, TELECOMMUNICATIONS, INFRASTRUCTURE OR NETWORKING EQUIPMENT NOT PROVIDED BY NAPCO, OR ACTS OR OMISSIONS OF THIRD PARTIES NOT UNDER NAPCO'S CONTROL; (D) BUYER'S NEGLIGENCE, OR THE NEGLIGENCE OF ANY USER, OR THE FAILURE OF ANY BUYER OR USER TO FOLLOW PUBLISHED DOCUMENTATION; (E) MODIFICATIONS OR ALTERATIONS NOT MADE BY NAPCO; (F) LOSS OR CORRUPTION OF DATA; (G) UNAUTHORIZED ACCESS VIA BUYER'S CREDENTIALS; OR (H) BUYER'S FAILURE TO USE COMMERCIALLY REASONABLE ADMINISTRATIVE, PHYSICAL AND TECHNICAL SAFEGUARDS TO PROTECT ITS SYSTEMS OR DATA OR FOLLOW INDUSTRY- STANDARD SECURITY PRACTICES.

NAPCO SECURITY TECHNOLOGIES

12. Returns

Products returns are not accepted. Returns, if authorized at Napco's sole discretion, are for merchandise credit only and are subject to a restocking charge of 25%. All non-product sales are final.

13. Claims.

Claims on account of weight, quality, loss of or damage to the material, or any dispute over amounts due on an invoice are waived unless made in writing within ten days after arrival thereof at destination, and any action for breach of any obligation with respect to the purchase or sale of said material other than for non-payment hereunder, must be commenced within one year of the date of delivery, or due date of delivery in the event of non-delivery of the particular shipment upon which such claim is based. Napco's liability for damages, whether based on Napco's negligence, breach of contract, breach of warranty, strict liability or otherwise, will not exceed the purchase price of the particular shipment with respect to which such damages are claimed and will not include liability for lost profits, loss of production, loss of goodwill, or special, incidental, indirect, punitive or consequential damages.

Napco will not be liable to Buyer for damage to persons or property resulting from the use of said material in manufacturing processes, or in combination with other substances, or otherwise. Napco assumes no obligation or liability for any technical or safety advice if furnishes concerning the material, the parties agreeing that unless otherwise agreed all such advice is given without charge or warranty and accepted at Buyer's risk.

14. Delivery.

a. Delivery Liability. Delivery and shipment dates for Products are estimates only. Deliveries may be made in partial shipments. Napco will not be liable to Buyer or any third party for any damages or penalties whatsoever, whether direct, indirect, special or consequential (including, without limitation, liquidated damages in your contracts with your Customers), resulting from Napco's failure to perform or its delay in performing, unless otherwise agreed in a signed writing by an authorized representative. Notwithstanding the foregoing, if Napco delivers a quantity of Product in excess of the quantity ordered by Buyer, or a type of product different than that ordered by Buyer, Buyer may return such excess or different Product to Napco within 60 days after invoice at Napco's cost for a full refund. Additionally, Napco shall bear the cost of redirecting shipments made to a location other than that set forth in the Order if caused solely by its error. Buyer is liable for any delays or increased costs incurred by Napco caused by Buyer's acts or omissions including, without limitation, all costs Napco incurs for redirecting shipments due to any incorrect information or address you or your representatives provide.

b. Delivery Charges. Delivery terms for Products (excluding software and services) are Ex-Works Napco Dock for all shipments.

c. Early Delivery & Future Delivery. Napco will schedule delivery in accordance with its standard lead times unless the Order states a later delivery date, or the parties otherwise agree in writing. Orders will be accepted with a future ship date of up to twelve (12) months from the date of order entry, unless otherwise agreed to by the parties. Napco reserves the right to ship orders earlier than scheduled delivery dates. Early shipments will be processed using the same method and carrier identified in the order. Without imposing any liability on Napco in respect of any delays of for non-performance, if Buyer requests a delivery date for an Order within standard lead times that Napco accepts, Napco shall be entitled to assess an expedited freight fee on such Order. If Buyer does not accept delivery of shipment at any time, Napco reserves the right to store the product pending delivery, and Buyer shall be responsible for all costs associated with storage, insurance, re-delivery and associated logistics.

15. Excusable Delay or Force Majeure.

Force Majeure. Except for payment obligations, neither party will be liable to the other for any failure to meet its obligations due to any force majeure event. Notwithstanding the prior sentence, quantities affected by this Force Majeure clause may, at the option of Napco, be eliminated from the Agreement without liability, but the Agreement will otherwise remain unaffected. Force majeure is an event beyond the reasonable control of the non-performing party and includes, without limitation:

1. Delays or refusals to grant an export license or the suspension or revocation thereof,
2. Any reduction of demand for one product produced as a co-product resulting in a limited supply of the second product.
3. Any other acts of any government that would limit a party's ability to perform under this Agreement,
4. Fires, earthquakes, floods, tropical storms, hurricanes, tornadoes, severe weather conditions, or any other acts of God,
5. Pandemics, epidemics, quarantines, or regional medical crises,
6. The presence of Hazardous Substances of Mold,
7. Shortages or inability to obtain materials, equipment, energy, or components,
8. Labor strikes or lockouts,
9. Riots, strife, insurrection, civil disobedience, landowner disturbances, armed conflict, terrorism, or war, declared or not (or impending threat of any of the foregoing, if such threat might reasonably be expected to cause injury to people or property),
10. Inability or refusal by Buyer's directed third-party suppliers to provide Napco parts, services, manuals, or other information necessary to the products or services to be provided by Napco under this Agreement, or
11. Any other cause beyond the non-performing party's reasonable control.

If a force majeure event causes a delay, then the date of performance will be extended by the period of time that the non-performing party is actually delayed, or for any other period as the parties may agree in writing.

When performance is excused, Napco may allocate its services or its supplies of materials and products in any manner that is fair and reasonable. However, Napco will not be obligated to obtain services, materials or products from other sources or to allocate materials obtained by Napco from third parties for Napco's internal use.

Should any part of the system or any equipment in each case that are related to the Work be damaged by fire, water, lightning, acts of God, the presence of Hazardous Substances or Mold, third parties, or any other cause beyond the control of Napco, any repairs or replacement shall be paid for by Buyer.

For the avoidance of doubt, there need not be a Force Majeure Event to invoke Section 34 (Surcharges). In the event that a Force Majeure Event is ongoing for a period of time which is ninety (90) days or longer, Napco may provide notice to Buyer that it is cancelling any affected outstanding Buyer Orders or affected portion thereof.

16. Buyer Delay.

Napco is not liable for any delays or increased costs caused by delays in obtaining parts, materials, equipment, services or software from a Buyer-designated supplier, for Buyer's failure to timely provide information required for the Work, or any other delay caused by, or within the control of, Buyer. If Buyer-caused delays occur, then the price, delivery dates, and other affected terms will be adjusted to reflect increased cost, delay, and other adverse impact suffered by Napco. For illustrative purposes only, and without limitation, events impacting price may include: (i) the cost of steel, copper, or aluminum, (ii) the cost of any buy-out items including additional cost based on a fluctuation in currency exchange rate, (iii) the cost of mechanical installation or electrical installation labor required for on-site work and/or installation, and (iv) the cost of pre-building and storing equipment at Napco's sole discretion. In the event that a delay caused by the Buyer is ongoing for a period of time which is ninety (90) days or longer, Napco may provide notice to Buyer that it is cancelling any affected outstanding Buyer Orders or affected portion thereof.

17. Changes.

a. A Change Order is a written order signed by Buyer and Napco authorizing a change in the Work or adjustment in the Price or a change to the schedule.

b. Buyer may request Napco to submit proposals for changes in the Work, subject to acceptance by Napco. If Buyer chooses to proceed, such changes in the Work will be authorized by a Change Order. Unless otherwise specifically agreed to in writing by both Parties, if Napco submits a proposal pursuant to such request but Buyer chooses not to proceed, Buyer shall reimburse Napco for any and all costs incurred in preparing the proposal.

c. Napco may make a written request to Buyer to modify this Agreement based on the Buyer's action or inaction, or the receipt or discovery of information, not expressly contemplated by this Agreement that Napco believes will cause a change to the Work, Price, schedule, level of performance, or other facet of the Agreement. Napco will submit its request to Buyer within a reasonable time after receipt of, or the discovery of, information that Napco believes will cause a change to the Work, Price, schedule, level of performance, or other facet of the Agreement. This request shall be submitted by Napco before proceeding to execute the change, except in an emergency endangering life or property, in which case Napco shall have the authority to act, in its discretion, to prevent threatened damage, injury or loss (an "Emergency"). Napco's request will include information necessary to substantiate the effect of the change and any impacts to the Work, including any change in schedule or Price. Buyer will have five (5) business days to accept or reject the Change Order. If Buyer fails to respond within five (5) business days, or in the case of an Emergency, the Change Order will be deemed accepted and Buyer shall extend the schedule and/or pay for the change in the Work. If, after the Buyer has rejected the Change Order, Buyer and Napco cannot agree on the amount of the adjustment in the Price or the schedule, it shall be escalated to the VP of operations, general manager of the business, or business leader with similar responsibilities. If no agreement can be reached, it shall be escalated to the president for which the business resides. Any change in the Price or schedule resulting from such claim shall be authorized by Change Order. If Buyer rejects the Change Order, Napco shall not be obligated to perform the additional or altered Work.

d. Napco may, without notice to Buyer, incorporate changes to Products that do not alter form, fit, or function.

18. Offering Changes and Discontinuance.

Except as expressly set forth in this Agreement, Napco has a policy of product improvement and reserves the right to change or discontinue, or charge additional Fees for new or improved features of functionality of, any Offering at any time without liability. Napco may, at its sole discretion, also make such changes to Offerings previously delivered to Buyer, including changes in the design, without obligation to make equivalent changes to any Offerings previously supplied to Buyer. Where Offerings have been discontinued, Buyer should consult Napco regarding availability of replacement parts, repairs, and associated charges. Napco will have no liability for discontinued Offerings.

19. Acceptance.

Unless test and acceptance criteria are otherwise stated and defined in the Statement of Work, which shall take precedence over any conflicting provision of this Section, upon receipt of notice by Napco that the Work is ready for final inspection and acceptance, Buyer will make such final inspection and issue acceptance within three (3) business days. If Buyer finds the Work unacceptable due to non-compliance with a material element of this Agreement, which non-compliance is due solely to the fault of Napco, Buyer will notify Napco in writing within the three (3) business days setting forth the specific reasons for non-acceptance. Napco may correct, replace or re-perform, at its option, the portions of Work giving rise to the non-acceptance. Buyer shall be liable for all costs and expenses associated with any improper non-acceptance, including, without limitation, any costs or expenses associated with delay, correction, replacement or re-performance. Any failure to inspect the Work or failure to issue a proper notice of non-acceptance within three (3) business days shall constitute final acceptance of the Work under this Agreement. Buyer further agrees that partial or beneficial use of the Work by Buyer or end-users, including, without limitation, any placement of software included in the Work into a production environment at any time, will constitute final acceptance of the Work under this Agreement. To the fullest extent permitted by law, Buyer shall indemnify and hold harmless Napco and its agents and employees from and against any and all claims, damages, losses and expenses, including but not limited to attorneys' fees, that in any way result from or arise from Buyer's breach of this Section. This indemnification shall survive termination of this Agreement for whatever reason. Nothing in this Section shall be construed to require that Buyer indemnify and hold harmless Napco from claims and costs resulting from Napco's negligent actions or willful misconduct.

20. Data.

Buyer retains all rights that Buyer already holds in data and other information that Buyer or persons acting on Buyer´s behalf input, upload, transfer, or make accessible in relation to, or which is collected from Buyer or third-party devices or equipment by, the Services ("Input Data"). Napco and its Affiliates have the right to retain, transfer, disclose, duplicate, analyze, modify, and otherwise use Input Data to provide, protect, improve, or develop Napco's products or services. Buyer has sole responsibility for obtaining all consents and permissions (including providing notices to users or third parties) and satisfying all requirements necessary to permit Napco's use of Input Data. Napco and its Affiliates may also use Input Data for any other purpose provided it is in an anonymized form that does not identify Buyer or any data subjects. Buyer will, at Buyer's cost and expense, defend Napco and Napco's Affiliates, sub-contractors and licensors and hold Napco harmless from and pay or reimburse all awards or damages (including attorney's fees), arising out of claims by third parties related to possession, processing or use of Input Data in accordance with this Agreement. Any Buyer Personal Data contained within Input Data shall only be used or processed in accordance with the data privacy terms of this Agreement and applicable law. All information, analysis, insights, inventions and algorithms derived from Input Data by Napco and/or its Affiliates (but excluding Input Data itself) and any intellectual property rights related thereto, are owned exclusively and solely by Napco and are Napco´s Confidential Information. Unless agreed in writing, Napco does not archive Input Data for Buyer's future use. Buyer consents to any transfer of Buyer's Input Data outside of its country of origin, except that Personal Data is subject to the Data Processing Terms

21. Confidentiality.

Napco may provide Buyer certain information during the performance or fulfilment of this Agreement that is not generally known, including financial information, trade secrets, know how, product data, samples, techniques, specifications, drawings, designs, design concepts, processes and testing methodologies (“Confidential Information”). All Confidential Information provided in connection with this Agreement shall remain the property of Napco, shall be used only for the purpose of furthering the matters contemplated by this Agreement and shall be protected as confidential by Buyer using the same degree of care as it uses to protect its own confidential information of a similar type, but no less than a reasonable degree of care, for a period of three (3) years following the date of disclosure. These obligations shall not apply to business contact information or other information which is: (a) publicly known at the time of disclosure or becomes publicly known through no fault of Buyer, (b) already known to Buyer at the time of disclosure through no wrongful act of Buyer, (c) received from a third party without restrictions similar to those in this Section, or (d) independently developed by Buyer. Buyer may not disclose Confidential Information without the prior written consent of Napco, provided, however, that Buyer may disclose Confidential Information (i) to its Affiliates, employees, officers, consultants, agents, and contractors for the purposes of discharging this Agreement and complying with its legal obligations, and (ii) in response to a court order, government request, or other legally required request where it (A) provides Napco with sufficient notice and an opportunity to object to such disclosure (where possible) and (B) makes the disclosure subject to a protective order or other similar confidentiality restrictions. After termination or expiration of this Agreement and upon written request of Napco, Buyer will return or destroy all Confidential Information and all copies thereof, except for any Confidential Information that exists only as part of regularly generated electronic backup data or archive data, the destruction of which is not reasonably practicable.

22. Data Rights.

Buyer retains all rights that Buyer already holds in data and other information that Buyer or persons acting on Buyer´s behalf input, upload, transfer, or make accessible in relation to, or which is collected from Buyer or third-party devices or equipment by, the Services (“Input Data”). Napco and its Affiliates have the right to retain, transfer, disclose, duplicate, analyze, modify, and otherwise use Input Data to provide, protect, improve, or develop Napco’s products or services. Buyer has sole responsibility for obtaining all consents and permissions (including providing notices to users or third parties) and satisfying all requirements necessary to permit Napco’s use of Input Data. Napco and its Affiliates may also use Input Data for any other purpose provided it is in an anonymized form that does not identify Buyer or any data subjects. Buyer will, at Buyer’s cost and expense, defend Napco and Napco’s Affiliates, sub-contractors and licensors and hold Napco harmless from and pay or reimburse all awards or damages (including attorney’s fees), arising out of claims by third parties related to possession, processing or use of Input Data in accordance with this Agreement. Any Buyer Personal Data contained within Input Data shall only be used or processed in accordance with the data privacy terms of this Agreement and applicable law. All information, analysis, insights, inventions and algorithms derived from Input Data by Napco and/or its Affiliates (but excluding Input Data itself) and any intellectual property rights related thereto, are owned exclusively and solely by Napco and are Napco´s Confidential Information. Unless agreed in writing, Napco does not archive Input Data for Buyer’s future use. Buyer consents to any transfer of Buyer's Input Data outside of its country of origin, except that Personal Data is subject to the Data Processing Terms**.**

23. <u>Publicity</u>.

Neither Party will issue any press release or make any public announcement relating to the subject matter of this Agreement without the prior written approval of the other Party, except that either Party may make any public disclosure it believes in good faith is required by applicable law or any listing or trading agreement concerning its or its affiliates' publicly traded securities. Notwithstanding the foregoing, if either Party, or a third party, makes a public disclosure related to this Agreement that is false or damaging to a Party, the aggrieved Party will have the right to make a public response reasonably necessary to correct any misstatement, inaccuracies or material omissions in the initial and wrongful affirmative disclosure without prior approval of the other Party. Neither Party will be required to obtain consent pursuant to this section for any proposed release or announcement that is consistent with information that has previously been made public without breach of its obligations under this clause. Notwithstanding the foregoing, Napco may list Buyer and its logo as a customer on Napco's website and in marketing materials.

24. <u>Data Privacy</u>.

For purposes of this Agreement,

"Applicable Data Privacy Laws" means applicable data protection, privacy, breach notification, or data security laws or regulations.

"Data Controller" means a Party that alone or jointly with others, determines the purposes and means of the processing of Personal Data (as that term or similar variants may otherwise by defined in Applicable Data Privacy Laws).

"Personal Data" means any information relating to an identified or identifiable natural person or as that term or similar variants may otherwise be defined in Applicable Data Privacy Laws. Personal Data includes (i) relationship data about individuals provided by one Party to the other to manage the relationship between the Parties, and (ii) personally identifiable usage data made available by the Buyer to Napco in relation to the use of the Services for the purposes of providing, improving, or developing Napco Products and Services.

Each Party will process the Personal Data of the other as an independent Data Controller in accordance with Applicable Data Privacy Laws. Each Party represents that it has all rights and authorizations to transfer Personal Data to the other Party (including providing notice).

25. <u>Limitation of Liability</u>.

a. IN NO EVENT SHALL NAPCO BE LIABLE UNDER THIS AGREEMENT, HOWEVER CAUSED AND REGARDLESS OF WHETHER LIABILITY ARISES FROM NAPCO'S INDEMNIFICATION OBLIGATIONS HEREUNDER OR A BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), OPERATION OF LAW, OR OTHERWISE, AND EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF THE LIABILITY OR THE LIABILITY IS OTHERWISE

FORESEEABLE, FOR ANY LOST PROFITS OR REVENUE, SPECIAL, INCIDENTIAL, INDIRECT, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES OF ANY KIND (INCLUDING ALL DAMAGES DUE TO BUSINESS INTERRUPTION, LOSS OR CORRUPTION OF DATA, OR LOST USE OF ANY PROPERTY OR CAPITAL) EVEN IF NAPCO HAS BEEN ADVISED OF OR IS OTHERWISE AWARE OF THE POSSIBILITY OF SUCH DAMAGES AND/OR CLAIMS.

b. ALL OFFERING CLAIMS ARE LIMITED TO THOSE EXCLUSIVE REMEDIES SET FORTH IN SECTION 10 (LIMITED WARRANTY) OF THIS AGREEMENT. NAPCO SHALL HAVE NO LIABILITY FOR ANY DAMAGES OR INJURIES ARISING FROM SERVICES PROVIDED BY BUYER TO ITS CUSTOMERS, INCLUDING SERVICES PERFORMED BY BUYER ON NAPCO PRODUCTS OR SOFTWARE SOLD HEREUNDER, NOR SHALL NAPCO BE LIABLE FOR ANY CLAIMS OF THIRD PARTIES RELATING TO ANY OFFERINGS, SAVE THE INDEMNIFICATION OBLIGATIONS SET FORTH IN THIS AGREEMENT.

c. NAPCO'S AGGREGATE LIABILITY IN CONNECTION WITH THIS AGREEMENT, THE PARTIES' RELATIONSHIP, THE SALE OF OFFERINGS, AND ANY PROVISION OF SERVICES TO BUYER, SHALL NOT EXCEED THE LESSER OF (I) THE AGGREGATE PURCHASE PRICE PAID BY BUYER TO NAPCO FOR THE OFFERINGS GIVING RISE TO THE CLAIM DURING THE TWELVE (12) MONTHS PRIOR TO WHEN THE CLAIM AROSE OR (II) $500,000. ALL CLAIMS THAT A PARTY MAY HAVE WILL BE AGGREGATED, AND MULTIPLE CLAIMS WILL NOT ENLARGE THE FOREGOING LIMIT.

d. BUYER WILL NOT BRING A LEGAL OR EQUITABLE ACTION AGAINST NAPCO MORE THAN ONE YEAR AFTER THE FIRST EVENT GIVING RISE TO A CAUSE OF ACTION, UNLESS A SHORTER LIMITATIONS PERIOD IS PROVIDED BY APPLICABLE LAW.

The disclaimers, exclusions and limitations set forth herein shall apply even if the express warranties set forth in this Agreement fail of their essential purpose. The parties agree that Napco's prices for the Offerings provided hereunder are provided in reliance on the disclaimers, exclusions, and limitations set forth herein, and that such disclaimers, exclusions, and limitations are an agreed allocation of risk that are foundational to the bargain between the parties.

26. <u>Liability Disclaimer for Buyer Services</u>.

a. Buyer acknowledges that, due to the unique nature and potential safety risks posed by certain Products, Buyer is not authorized to perform design, installation, repair, or other services (collectively, "Customer Services") for its customers on certain Products ("Certified Products") identified to Buyer as such, unless it enters into a separate written agreement with Napco and complies with the required training and certification obligations of such agreement. Buyer further agrees that performance of Customer Services for customers on Certified Products, absent adherence to the conditions in this paragraph, will void the Limited Warranty on such Certified Products.
b. Buyer further acknowledges and agrees that to the extent it performs Customer Services for its customers on any Product (including, without limitation Certified Products), it does so at its own expense and liability, and shall defend, indemnify and hold the Napco Indemnitees harmless from and against any Claims arising out of those Customer Services it or its agents perform for its Buyers as per the Indemnification Procedures of Section 30 (Indemnification). This Section shall be subject to Napco's rights under Section 27 (Limitation of Liability).

27. Intellectual Property Indemnification.

Napco will defend Buyer, its Affiliates and subcontractors against any third-party suit alleging that Buyer's use of the Offering (as provided by Napco) in accordance with this Agreement, directly infringes any United States third-party patent or copyright, and will pay for any final judgment awarded by a court of competent jurisdiction assessed against Buyer resulting from such suit; provided that Buyer promptly notifies Napco when it is apprised of the claim and provides complete authority, information, and assistance (at Napco's expense) as to the defense and disposition via counsel of Napco's choice. Napco will not be responsible for any compromise, settlement, attorneys' fees, expenses, damages, or costs incurred by Buyer without Napco's involvement and prior, written consent. Napco has no obligation or liability for claims arising out of the following: (a) Offerings made to Buyer's designs, drawings, or specifications; (b) use of Offerings in any process or in any manner not supported by the applicable Documentation; (c) combination or use of any Offering with materials not furnished by Napco; (d) use of a version of any Software other than the current version; (e) data Buyer provides; (f) Buyer's use of the outputs of the Offering; (g) any alteration, customization, or other modification of the Offering other than by Napco; or (h) damages based on a theory of liability other than infringement by the Offering. Further, Buyer agrees to defend, indemnify and hold the Napco Indemnitees harmless against any claim of infringement resulting from those circumstances set forth in subparagraphs (a)-(h) of this Section, as per the Indemnification Procedures of Section 30 (Indemnification). If a claim of infringement is made for which Napco has indemnification obligations or if Napco believes that such a claim is likely, Napco may, at its sole option and expense, (i) procure for Buyer the right to continue using the Offering or obtain a license to a reasonable substitute; (ii) replace or modify the Offering so that it is non-infringing; or (iii) in the case of Products and Software, require Buyer to return the Product (and terminate Buyer's license to the Software) in exchange for a credit of the purchase price or license fee, less reasonable depreciation and pro-ration of license fees for Software use. Further, Napco may cease shipping Products and Software it believes may be subject to a claim of infringement without being in breach of this Agreement. If the final judgment assessed against Buyer is based on the revenue generated from the use of the Offering, as opposed to from the sale of the Offering by Napco to Buyer (whether alone or in combination with any article or service not furnished by Napco), then Napco's liability under this indemnity, exclusive of defense costs, shall be limited to a reasonable royalty based on the contract price paid by Buyer to Napco for the Offering that gave rise to the claim. This Section shall be subject to Napco's rights under Section 27 (Limitation of Liability). THIS PROVISION STATES THE PARTIES' ENTIRE LIABILITY, SOLE RECOURSE, AND THEIR EXCLUSIVE REMEDIES WITH RESPECT TO CLAIMS OF IP INFRINGEMENT. ALL OTHER WARRANTIES AGAINST INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS, STATUTORY, EXPRESS, IMPLIED, OR OTHER, ARE HEREBY DISCLAIMED.

28. Other Indemnification.

In addition to any other Buyer indemnification obligations in this Agreement, Buyer will indemnify, defend, and hold Napco and its Affiliates, directors, employees and subcontractors (collectively, "Napco Indemnitees") harmless against allegations, claims, damages, settlements, fines and penalties and costs, including consultants and attorneys' fees (collectively, "Claims") arising out of Buyer's negligence or willful misconduct (or that of anyone under its control) due to any act or omission under this Agreement, Buyer's breach of its obligations or warranties under this Agreement or Buyer's infringement of any US third-party patent or copyright. In connection with these indemnification obligations, Buyer agrees to the following "Indemnification Procedures": (a) Buyer will be entitled to control the defense and Napco shall give prompt notice of any Claim; (b) at Buyer's expense, Napco will reasonably cooperate in defense of the claim including promptly furnishing Buyer with all relevant information within its possession or control; (c) Napco may participate in the defense at its own expense and through counsel of its choosing; and (d) Buyer may not enter into any settlement, assume any obligation, or make any concession without the prior written approval of Napco, which approval may not be unreasonably withheld, conditioned or delayed.

29. Compliance.

a. Buyer certifies it has read, understands, and agrees to abide by the provisions of the Napco Code of Business Conduct (the "Code of Conduct"), available at https://investor.napcosecurity.com/policies. Buyer further acknowledges and agrees that it shall, at its sole cost and expense, comply with all applicable laws, rules, regulations, decrees, and other requirements relating to or affecting this Agreement, the Offerings (including their sale, transfer, handling, storage, use, disposal, export, reexport, and transshipment), the activities to be performed by Buyer, or the facilities and other assets used by Buyer in performing its obligations under this Agreement, including filing all required reports relating to such performance (including tax returns), paying all filing fees and federal, state and local taxes applicable to its business as the same shall become due and paying all amounts required under the local, state and federal laws governing workers' compensation, disability benefits, unemployment insurance, and other employee benefits. This obligation further includes, but is not limited to, Buyer's confirmation of and agreement with the representations and warranties set forth in the following subparagraphs. Buyer will defend, indemnify and hold the Napco Indemnities harmless from and against any Claims arising out of Buyer's non-compliance with this Section and its subparagraphs, pursuant to the Indemnification Procedures of Section 30 (Indemnification).

b. Sanctions Compliance. Buyer represents, warrants, that

i. It is not a "Sanctioned Person," meaning any individual or entity: (i) named on a governmental denied party or restricted list, including: the Office of Foreign Assets Control ("OFAC") list of Specially Designated Nationals and Blocked Persons ("SDN List"), the OFAC Sectoral Sanctions Identifications List ("SSI List"), and the sanctions lists under any other Sanctions Laws; (ii) organized under the laws of, ordinarily resident in, or physically located in a jurisdiction subject to comprehensive sanctions administered by OFAC (currently Cuba, Iran, North Korea, Syria, and the Crimea, so-called Donetsk People's Republic, or so-called Luhansk People's Republic regions of Ukraine/Russia) ("Sanctioned Jurisdictions"); and/or (iii) owned or controlled, directly or indirectly, 50% or more in the aggregate by one or more of any of the foregoing.

ii. Relating to this Agreement and the transactions contemplated hereby, Buyer is in compliance with and will continue to comply with all economic Sanctions Laws administered by OFAC, other U.S. regulatory agencies, the European Union and its Member States, the United Kingdom, and the United Nations ("Sanctions Laws"). Buyer will not involve any Sanctioned Persons in any capacity, directly or indirectly, in any part of this transaction and performance under this transaction. Buyer will not take any action that would cause Napco to be in violation of Sanctions Laws.

iii. Buyer will not sell, export, re-export, divert, use, or otherwise transfer any Napco products, technology, software, or proprietary information: (i) to or for any Sanctioned Persons or to or involving Sanctioned Jurisdictions; or (ii) for purposes prohibited by any Sanctions Laws. Buyer will not source any components, technology, software, or data for utilization in Napco Offerings: (i) from any Sanctioned Persons or Sanctioned Jurisdictions or (ii) in contravention of any Sanctions Laws.

iv. Buyer's failure to comply with this provision will be deemed a material breach of this Agreement, and Buyer will notify Napco immediately if it violates, or reasonably believes that it will violate, any terms of this Section. Buyer agrees that Napco may take any and all actions required to ensure full compliance with all Sanctions Laws without Napco incurring any liability.

c. Export and Import Compliance. Buyer will not distribute, resell, export or re-export any Products, technical data, Software, plans, or specifications dealing with an Offerings ("Restricted Items"), or take any actions in relation to or in furtherance of this Agreement which are contrary to U.S. Department of State International Traffic in Arms Regulations ("ITAR") or the U.S. Department of Commerce Export Administration Regulations ("EAR") or any other applicable export control, import control, and economic sanction laws and regulations of any country or countries (collectively, "Export/Import Control Laws"). Buyer acknowledges that Export/Import Control Laws may control not only the sale, resale, export and re-export of Products but also the transfer of other Restricted Items. Buyer agrees that it will not sell, re-sell, export, re-export or otherwise transfer any of the Restricted Items in any form, either directly or indirectly, in violation of any Export/Import Control Laws. Further, Buyer shall take no action that would cause Napco to be in violation of any Export/Import Control Laws. Buyer further acknowledges that U.S. Export/Import Control Laws (ITAR and EAR) include prohibitions against selling any product to U.S. embargoed countries (currently, Cuba, Iran, North Korea, Syria, and Sudan); prohibitions against sales of ITAR product to any country with which the U.S. maintains an arms embargo; prohibitions against sale of certain EAR-controlled product for China military end-use; and other restrictions. Buyer will immediately notify Napco and cease activities with regard to the transaction in question if it knows or has a reasonable suspicion that any Restricted Items may be redirected to other countries in violation of Export/Import Control Laws. Napco will apply for United States Government export authorizations required for delivery of any goods, services or technical data under this Agreement. Buyer will promptly provide all information required by Napco to complete the authorization application. Buyer will apply for all other necessary import, export or re-export approvals.

Napco will not be liable to Buyer for any failure to provide any Offering or other Restricted Item as a result of government actions that impact Napco's ability to perform, including:

i. The failure to provide or the cancellation of export or re-export licenses;

ii. Any subsequent interpretation of applicable import, transfer, export or re-export law or regulation after the date of any order or commitment that has a material adverse effect on Napco's performance; or

iii. Delays due to Buyer's failure to follow applicable import, export, transfer, or re-export laws and regulations.

If Buyer designates the freight forwarder for export shipments from the United States, then Buyer's freight forwarder will export on Buyer's behalf and Buyer will be responsible for any failure of Buyer's freight forwarder to comply with all applicable export requirements. Napco will provide Buyer's designated freight forwarder with required commodity information.

d. Anti-Bribery, Anti-corruption Laws.

i. Napco International Inc. is subject to national and international laws prohibiting bribery and corruption. Because Napco International Inc. is a US Buyer, its employees and Affiliates, as well as all consortium bidding partners and any third party acting on its behalf must comply with the US Foreign Corrupt Practices Act ("FCPA") and similar anticorruption laws applicable in the countries where Napco operates.

ii. Buyer certifies that has read, understands, and agrees to abide by the provisions of, the Napco Code of Business Conduct, which is available at https://investor.napcosecurity.com/policies

iii. Buyer agrees that in connection with its activities under this Agreement, neither Buyer nor any agent, affiliate, employee, or other person acting on its behalf will offer, promise, giver or authorize the giving of anything of value, or offer, promise, make or authorize the making of any bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any government official or political party in order to obtain or retain business, gain any unfair advantage or influence any government official decision.

iv. If Napco has reason to believe that the provisions of this agreement may have been violated, Napco and its authorized representatives will have the right to audit, examine and make copies of all records that relate to this Agreement including financial, legal, tax, accounting, operational, labor, and regulatory information. Buyer will retain and preserve all records and materials including invoice records, pertaining to the Offerings provided under this Agreement for a period of 3 (three) years after the termination of this Agreement or for the period prescribed by applicable law, whichever period is longer.

v. In the event that Napco determines, in its sole discretion, that the Buyer has engaged in conduct that violates the Napco Anticorruption Policy or applicable anti-corruption laws and regulations, Napco immediately shall have the right to terminate this Agreement.

vi. If Buyer learns of any violations of the above anticorruption provisions in connection with the performance of this agreement, it will immediately advise (a) Napco's Chief Compliance Officer, (b) any member of Napco's Integrity and Compliance Department or (c) the Napco Access Integrity Helpline (AccessIntegrityHelpline@Napco.com). Buyer agrees to cooperate fully with any Napco investigation, audit or request for information under this Section.

e. Audit. Buyer agrees to maintain accurate books and records to demonstrate compliance with the compliance requirements of this section. Napco, at its expense, may audit Buyer to determine compliance with such provisions upon no less than thirty (30) days' advance written notice, and Buyer will provide reasonable assistance to Napco to complete such audit.

f. Non-Compliance. Buyer's failure to comply with this provision will be deemed a material breach of this Agreement, and Buyer will notify Napco immediately if it violates, or reasonably believes that it will violate, any terms of this provision. Buyer agrees that Napco may take any and all actions required to ensure full compliance with all applicable laws, including Sanctions Laws, Export/Import Control Laws and anti-corruption laws, without Napco incurring any liability.

30. Non-Military End User and End Use Certification (MEU Rule).

In order to satisfy US export control laws, the Buyer confirms that it is not an entity that meets the definition of a military end user in China, Russia, or Venezuela ("Military End User") or sells items that support or contribute to a Military End Use by a Military End User. Military End User includes any entity that is part of the national armed services (army, navy, marine, air force, or coast guard), as well as the national guard and national police, government intelligence or reconnaissance organizations, or any person or entity whose actions or functions are intended to support "military end uses." "Military End Uses" includes use of an item to support or contribute to the operation, installation, maintenance, repair, overhaul, refurbishing, development, or production of military items. In addition, the Buyer will not divert or in any way utilize or sell products, materials, or technology/technical data/specifications supplied by or on behalf of Napco to Buyer under or in connection with the Agreement to/for any entity which is a Military End User or for Military End Uses by a Military End User. Buyer shall immediately notify Napco and cease all activities associated with the transaction in question if it knows or has a reasonable suspicion that such products, materials, technical data, plans, or specifications may be exported, reexported, or transferred to a Military End User or in support of a Military End Use by a Military End User. Buyer's failure to comply with this provision will be deemed a material breach of the Agreement. Notwithstanding anything to the contrary in the Agreement, Napco may take any and all actions required to ensure full compliance with applicable export control laws without Napco incurring any liability.

31. Governing Law and Disputes.

All questions or disputes arising out of or relating to this Agreement and its interpretation or enforcement (including its, breach, validity and termination), and the Parties' relationship, rights and liabilities relating hereto, whether arising in contract or otherwise ("Dispute"), shall be governed by the laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York. Napco and Buyer expressly agree to exclude from this Agreement the Uniform Computer Information Transactions Act and United Nations Convention on Contracts for the International Sale of Goods, 1980, and any successor thereto.

The Parties agree that the federal and state courts of Suffolk County, New York shall be the sole and exclusive venue for any Dispute, and the parties hereby consent and submit to the jurisdiction for such venue. The parties irrevocably and unconditionally waive any objection to venue of any Dispute in such court and irrevocably waive and agree not to plead or claim in any such court that any Dispute has been brought in an inconvenient forum. Buyer will not bring a legal or equitable action more than one year after the cause of action arose unless a shorter period is provided by applicable law. EACH PARTY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY RELATED TO THIS AGREEMENT.

Before the Parties initiate any dispute resolution process other than injunctive relief, the Parties must schedule a mandatory executive resolution conference to be held within thirty (30) days of receipt of the other Party's written request. The conference must be attended by at least one executive from each party. At the conference, each party will present its view of the Dispute in detail and the executives will enter into good faith negotiations in an attempt to resolve the Dispute. If the dispute is not resolved within fifteen (15) days of the end of the conference, then either party may pursue resolution of the Dispute consistent with the other terms of this Agreement.

32. Economic Surcharges.

Napco may, from time to time and in its sole discretion, issue surcharges on Orders in order to mitigate and/or recover increased operating costs arising from or related to, without limitation: (a) foreign currency exchange variation; (b) increased cost of third-party content, labor and materials; (c) impact of duties, tariffs, and other government actions; and (d) any other circumstances that increase Napco's costs, including, without limitation, increases in freight, labor, material or component costs, and increased costs due to inflation (collectively, "Economic Surcharges") [DISTRIBUTORS: Such surcharges will not be considered a "price increase" as contemplated hereunder and will be effective upon notice to Distributor.]

Napco will invoice Buyer, through a revised or separate invoice, and Buyer agrees to pay for the Economic Surcharges pursuant to the standard payment terms in this Agreement. If a dispute arises with respect to Economic Surcharges, and that dispute remains open for more than fifteen (15) days, Napco may, in its sole discretion, withhold performance and future shipments or combine any other rights and remedies as may be provided under this Agreement or permitted by law until the dispute is resolved.

The terms of this section shall prevail in the event of inconsistency with any other terms in this Agreement. Any Economic Surcharges, as well as the timing, effectiveness, and method of determination thereof, will be separate from and in addition to any changes to pricing that are affected by any other provisions in this Agreement.

33. <u>Remote Access</u>.

Buyer agrees that Napco may provide some or all of the Offerings remotely using an internet connection and may install additional software and related communication and/or diagnostic devices on Buyer's applicable systems (the "Systems") to enable such connection and/or remote work. Buyer agrees to fully cooperate with Napco's installation and commissioning of such software and devices on the Systems. To the extent required by Napco, Buyer will enable and consents to internet connectivity between its applicable Systems and Napco's applicable computer server(s)/system(s) and/or the Napco cloud platform(s) throughout the term of this Agreement.

34. <u>Assignment</u>.

Napco may assign or transfer this Agreement and assign its rights and delegate its obligations. Buyer shall not assign this Agreement, whether by merger, consolidation, operation of law or otherwise, and any attempt to do so without Napco's prior written consent shall be null and void. This Agreement shall inure to the benefit of and be binding upon any successor or permitted assign of the Parties. Notwithstanding anything to the contrary herein, Napco may engage subcontractors to perform any of its obligations under this Agreement. Use of a subcontractor will not release Napco from liability under this Agreement for performance of the subcontracted obligations.

Without limiting the generality of the foregoing, Napco may assign this Agreement and its rights relating to payment for sales made under this Agreement without Buyer's consent and, notwithstanding any confidentiality obligations, may provide any purchaser of any such rights information and documents reasonably related to such sales, provided such purchaser has a confidentiality agreement in place with Napco that precludes disclosure of any Buyer confidential information to any third party without Buyer's consent.

35. <u>Trademarks</u>.

Buyer may not use Napco's trademarks, service marks or logos without Napco's prior written consent.

36. Independent Contractor.

The Parties acknowledge that they are independent contractors and not the legal representative, agent, partner, employee, franchisee, joint venture or other representative of the other, and none of their respective employees, agents, or representatives shall be treated as an employee of the other for any purpose, including tax and social security coverage and withholding, or any employee benefits. Except as provided herein, neither party has any right or authority to assume or create any obligations of any kind or to make any representations or warranties, whether expressed or implied, on behalf of the other, or to bind the other in any respect whatsoever. Neither party shall hold itself out as, or represent to any third party that it is, affiliated with the other party in any way. Furthermore, nothing contained in this Agreement shall be construed to constitute Buyer as an exclusive purchaser of the Offerings.

37. Legal Advice Disclaimer.

Buyer acknowledges and agrees that Napco does not and shall not provide Buyer with any legal advice regarding compliance with laws, rules or regulations in the jurisdictions in which Buyer uses the Offering, including those related to data privacy or medical, pharmaceutical or health related data. Buyer acknowledges that the Offering has functionality that may be used in ways that do and do not comply with such laws, rules or regulations. It is Buyer's sole responsibility to monitor its (including its users') compliance with all such relevant laws, rules or regulations. Buyer is solely responsible for such Buyer-specific use decisions and Napco and its Affiliates disclaim all liability for such decisions.

38. Enforceability Waiver.

If any portion of this Agreement is held invalid or unenforceable, the remaining portions will remain in full force and effect. Any invalid or unenforceable portions will be interpreted to effect the intent of the original portion. If such construction is not possible, the invalid or unenforceable portion will be severed from this Agreement, but the rest of this Agreement will remain in full force and effect. Failure to enforce or exercise any provision is not a waiver of such provision unless such waiver is specified in writing and signed by the Party against which the waiver is asserted.

39. Feedback.

If Buyer provides any improvements, suggestions, information or other feedback concerning the Offerings ("Feedback"), then Buyer hereby grants to Napco and its designees a worldwide, irrevocable, royalty-free, fully paid-up, sublicensable (through multiple tiers), perpetual right and license to exploit any Feedback for any purpose without restriction or obligation. Feedback will not be considered Buyer's Confidential Information or trade secret.

40. Embedded Software.

a. Napco grants to Buyer a limited, worldwide (subject to Export/Import Control Laws), non-exclusive, non-transferable, non-assignable, revocable, object code license to software installed or embedded within a Product ("**Embedded Software**") solely for use with such Product. Except to the extent set forth in any separate license terms provided by Napco with such Embedded Software or as set forth in Section (b), in no event shall Buyer have any right to (or authorize or allow any third party to) copy, modify, distribute, sell, lend, rent, transfer, or convey the Embedded Software; grant any sublicense, lease, or other rights in the Embedded Software; decompile, disassemble, reverse engineer, or otherwise attempt to reconstruct, identify, or discover any source code, underlying user interface architecture or techniques, or algorithms of the Embedded Software by any means; or take any action that would cause the Embedded Software or any portion of it to be placed in the public domain. In the event of a conflict between this Agreement and the terms of any Embedded Software license terms provided upon download or purchase, the relevant license terms shall control solely with respect to Embedded Software.

b. If Embedded Software is listed on a Purchase Order placed pursuant to this Agreement, the Embedded Software is limited to such Products and/or location(s) as are specified on the relevant Purchase Order. If Embedded Software is embedded in a Product listed on an Purchase Order (regardless of whether such Software is specifically referenced on the Purchase Order), Buyer may only transfer its license to the Embedded Software to a third party in conjunction with the sale by Buyer of the Product on which the Embedded Software is installed or embedded, provided that no proprietary information is removed from such Products with Embedded Software (including copyrights, patent marking, trademarks, or EULAs). Buyer is responsible for ensuring that any distribution and use of Embedded Software to and by its customers or end users is subject to each customer or end user entering into an agreement with Buyer containing the same obligations and restrictions contained herein. All Products with Embedded Software are licensed on a non-exclusive basis and are not sold. Napco may terminate any Embedded Software license for failure to comply with the terms of the foregoing.

41. Acceptable Use.

Buyer will use the Products in a commercially reasonable manner in accordance with any Documentation made available by Napco, as may be updated by Napco or the Product manufacturer from time to time. Buyer will not, and will not permit any person or entity to, use the Products (including any Embedded Software) for purposes of or in connection with: (a) distributing it in any manner not authorized by Napco; (b) modifying or tampering with it; or (c) interfering with its proper functioning. Any unauthorized use of the Products may result in termination or suspension of this Agreement or the right to use the Products. Buyer may not use the Products in any way that would reasonably be expected to cause liability or harm to Napco or third parties.