

PURCHASE ORDER TERMS AND CONDITIONS

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The following Terms are applicable to all Purchase Orders (Orders) issued by JOHNSON CONTROLS FEDERAL SYSTEMS INC. and its subsidiaries, JOHNSON CONTROLS SECURITY SYSTEMS, LLC and JOHNSON CONTROLS BUILDING AUTOMATION SYSTEMS, LLC.

1. Acceptance

(a) This Order is Buyer's offer to Seller. Seller's signature on this Order, acknowledgement, acceptance of payment, or commencement of performance, shall constitute Seller's unqualified acceptance of this Order. Seller's acceptance of this Order creates a binding contract between Buyer and Seller, which shall be governed by the provisions of this Order.

(b) By accepting or filling this Order, Seller agrees to Buyer's terms. These terms are expressly made conditional, and shall prevail over any inconsistent terms submitted by Seller.

(c) This Order integrates, merges, and supersedes any prior offers, negotiations, and agreements concerning the subject matter hereof and constitutes the entire agreement between

the Parties.

(d) Additional or differing terms or conditions proposed by Seller or included with Seller's acknowledgement hereof are hereby objected to by Buyer and have no effect unless accepted in writing by Buyer.

2. Assignments/Subcontracting

(a) Seller shall not assign any of the rights or responsibilities arising from this Order and any assignment of Seller's Order rights or delegation of duties shall be void unless prior written approval is given by Buyer.

(b) Without Buyer's written consent, Seller will not subcontract for the design, development, or procurement of any substantial portion of goods or services under this Order. This limitation does not apply to Seller's purchase of standard commercial supplies or raw materials.

3. Buy American Act

Seller shall comply with Buy American Act, as applicable, for all U.S. federal government agency purchases of goods valued over \$2,500 if the work contains other than domestic components.

4. Changes

(a) Buyer may, at any time, by written notice to the Seller, make changes within the general scope of providing goods and/or services, including but not limited to: (i) revising, adding or deleting items, (ii) revising the period or schedule of performance, (iii) change of delivery, (iv) increasing or decreasing quantities, (v) require Seller to cancel all or any part of this Order. Notwithstanding any directed change(s), Seller shall proceed with all terms of the Order and the Change Order(s). Upon receipt of such notice of change, or stop work Order, Seller shall immediately take all necessary steps to comply with such notice and to minimize the incurrence of costs.

(b) If any Order under this provision causes an increase or decrease in the cost of, or time required for performance of this Order, at Buyer's discretion, a mutually equitable adjustment shall be negotiated by both parties to be made in the price or the time of performance or both. Any request by Seller for an equitable adjustment under this Order must be asserted in writing within thirty (30) days from the date of receipt by Seller of the notification of change.

(c) Failure to agree to any adjustment shall be resolved in accordance with the Disputes clause of this Order. However, nothing contained in this Changes clause shall excuse Seller from proceeding without delay in the performance of this Order as changed.

5. Communication with Buyer Customer

(a) Buyer shall be solely responsible for all liaison and coordination with the Buyer's customer, including the U.S Government, as it affects the applicable Prime Contract, this Order, and any related contract/Order.

(b) Unless otherwise directed in writing by the authorized Buyer Procurement Representative, all documentation requiring submittal to, or action by, the Buyer's customer shall be routed to, or through, the Buyer's Procurement Representative, or as otherwise permitted by this Order.

6. Default

(a) Buyer, by written notice, may terminate this Order for default, in whole or in part, if Seller fails to comply with any of the terms of this Order, fails to make reasonable progress in its performance of this Order, or fails to provide adequate assurance of future performance and/or fails to deliver as and when specified. Seller shall have five (5) days (or a longer period, which Buyer may authorize in writing) to cure any failure/breach after receipt of written notice from Seller. Defaults involving delivery schedule shall not be subject to the cure provision.

(b) In the event of Seller's failure to deliver as and when specified Buyer reserves the right to cancel this Order, or

any part hereof, without prejudice to its other rights, and Seller agrees that Buyer may return part or all of any shipment made late otherwise not in conformance with this Order, and Seller shall, upon demand by Buyer, reimburse Buyer for any loss or expense sustained as a result of Seller's failure to perform.

(c) Buyer shall not be liable for any work not accepted; however, Buyer may require Seller to deliver to Buyer any supplies and materials, manufacturing materials, and manufacturing drawings that Seller has specifically produced or acquired for the terminated portion of this Order.

7. Definitions

(a) "Order" - means the instrument of contracting (e.g. Purchase Order (PO), or other such designation), including all referenced documents, exhibits, and attachments. If these terms and conditions are incorporated into a master agreement that provides for releases (in the form of a Purchase Order or other such document), the term "Order" shall also mean the release document for the Work to be performed.

(b) "Buyer" - means Johnson Controls Federal Systems Inc. (JCFS) and any subsidiaries thereof.

(c) "Buyer Procurement Representative" - means the person who is authorized to make procurement transactions and enter into contracts on behalf of/for JCFS.

(d) "Seller" - means the Party identified on the title page of the Order, with whom JCFS is contracting.

(e) "Party" or "Parties" - means either entity to this Order either individually or collectively.

(f) "Work" - means all required articles, materials, supplies, goods and services constituting the subject matter of the Order.

8. Disputes

(a) Any dispute, controversy or claim arising out of or relating to this Order, or default, termination, or invalidity hereof, shall be settled by a single arbitrator, selected by Buyer with assistance of Seller, administered by American Arbitration Association under its Commercial Arbitration Rules. The place of arbitration shall be Washington D.C. The language to be used in the arbitral proceedings shall be English. Judgment of the arbitrator shall be final and non-appealable and may be entered in any court having jurisdiction or application may be made to such court for a judicial acceptance of the award and an order of the enforcement. Each party shall bear its own expenses of the arbitration, but the fees and costs of the arbitrator shall be borne by arbitration.

(b) Consistent with the expedited nature of arbitration, each Party will, upon written request of the other Party, promptly provide the requesting Party with copies of documents relevant to the issues raised by any claim or counterclaim. Any dispute regarding discovery, or the relevance or scope thereof, shall be determined by the arbitrator, whose determination shall be conclusive. All discoveries shall be completed within thirty (30) days following the appointment of the arbitrator.

(c) No action at law or in equity may be commenced by Seller under or arising from this Order unless it is brought within six (6) months after the accrual of the cause of action upon which the claim is based, regardless of whether Seller knew or should have known of the accrual of any such cause of action.

(d) Notwithstanding the foregoing, in the event of a breach or threatened breach by Seller under the Information of Buyer or Intellectual Property provisions of this Order, Buyer may forego arbitration under this provision and seek immediate judicial and equitable remedies, including but not limited to, injunctive relief or specific performance.

(e) Until final resolution of any dispute hereunder, Seller shall diligently proceed with the performance Of this Order as directed by the Buyer Procurement Representative.

9. Entire Agreement

This Order shall constitute the entire agreement between the Parties unless modified in writing by Buyer.

10. Export Control

(a) Seller agrees to comply fully with all applicable U.S export control laws and regulations as they may apply to any hardware, software, information, or the direct product of such information, furnished to Seller under this Order. Seller agrees that it will not permit the re-export of any of the above-including foreign nationals employed by, associated with, or under contract to Seller or Seller's lower tier suppliers – without the authority of an Export License or applicable License Exception.

(b) Seller agrees to notify Buyer if any deliverable Work under this Order is restricted by export control laws or regulations.

(c) Seller shall immediately notify the Buyer's Procurement Representative if Seller is listed in any Denied Parties List or if Seller's export privileges are otherwise denied, suspended or revoked in whole or in part by any entity or agency. At Buyer's request, Seller will provide Buyer with all data Buyer may need to apply for and obtain an Export License or applicable License Exception.

11. Extras

Work shall not be supplied in excess of quantities specified in the Order. Seller shall be liable for handling charges and return shipment costs for any excess quantities.

12. Furnished Property

(a) Buyer may provide to Seller property owned by either Buyer or its customer (Furnished Property). Furnished Property shall be used only for the performance of the Order.

(b) Title to furnished Property shall be retained by Buyer or its customer. Seller shall clearly mark (if not already marked) all Furnished Property to show ownership.

(c) Except for reasonable wear and tear, Seller assumes all risk of loss, destruction or damage of Furnished Property while in Seller's possession, custody, or control. Upon request, Seller shall provide Buyer with adequate proof of insurance against such risk of loss or damage. Seller shall promptly notify Buyer of any loss or damage to Furnished Property. Without additional charge, Seller shall manage, maintain, and preserve Furnished Property in accordance with good commercial practice.

(d) At Buyer's request or at completion of this Order the Seller shall submit, in an acceptable form, inventory lists of Furnished Property and shall deliver or make such other disposal as may be directed by Buyer.

13. Gratuities and Kickbacks

No gratuities (in the form of entertainment, gifts, or otherwise) or kickbacks shall be offered or given by Seller to any employee of Buyer with a view toward securing favorable treatment as a supplier.

14. Governing Law

This Order shall be construed in accordance with the State laws from Buyer's issuing office, without regard to the jurisdiction in which the action may be instituted. Seller shall comply with all Federal, state, and local laws and regulations.

15. Indemnification and Insurance

(a) Seller agrees to indemnify and hold Buyer harmless from all liability that may result from any claim, action, or suit by any person, based on any alleged injury to or death of any person or damage to or loss of any property that may occur or that may be alleged to have been caused by the Seller in the course of performance of this Order by the Seller. The Seller shall pay all charges of U.S. attorneys in connection therewith and, if any judgment shall be rendered against Buyer in any such action or actions, the Seller shall satisfy and discharge the same without cost or expense to

Buyer. However, this indemnity shall not apply to claims actions, or suits resulting from Buyer's negligence.

(b) Seller shall maintain adequate insurance coverage, to include errors and omissions, as necessary under this Order. In no event shall Buyer be liable, whether foreseeable or unforeseeable, in contract or tort, for any direct, indirect, special, or consequential damages or claims arising or resulting from Seller's services or products purchased under this agreement.

(c) In the event that Seller, its employees, agents or subcontractors enter Buyer's or its customers premises for any reason in connection with this Order, Seller as well as its subcontractors and lower tier subcontractors, shall procure and maintain worker's compensation, comprehensive general liability, bodily injury, and property damage insurance in reasonable amounts, and other such insurance as Buyer may require as stated in the contract schedule, and shall comply with all site requirements. Such insurance shall be written through a licensed carrier with a financial rating of no less than A -, in respective state of operation and shall meet all legal minimum requirements of same state. Seller shall indemnify and hold harmless Buyer, its officers, employees, and agents, from any and all losses, costs, claims, causes of action, damages, liabilities, and expenses, including (but not limited to) attorneys fees, all expenses of litigation and settlement, and court costs, by reason of property damage or personal injury to any person caused in whole or in part by the actions or omissions of the Seller, its officers, employees, agents, suppliers, or subcontractors at any tier. Seller shall provide Buyer thirty (30) days advance written notice prior to the effective date of any cancellation or change in the term or coverage of any of Seller's required insurance. If requested, Seller shall send a Certificate of Insurance showing Seller's compliance with these requirements. Seller shall name Buyer as an additional insured for the duration of this Order.

16. Independent Contractor

It is understood and agreed that Seller is an independent contractor and not an agent, employee or representative of Buyer or its Customer; seller agrees not to make any representations to the contrary. Any conduct in which Seller engages in connection with or in the performance of this Order shall be solely in its capacity as an independent contractor; nothing in this Order shall be construed to the contrary. Seller agrees, that as an independent contractor, Seller does not have authority to sign contracts, notes, obligations, to make purchases or acquire or dispose of any property for or on behalf of Buyer.

17. Information of Buyer

Information provided by Buyer to Seller remains the property of Buyer. Seller agrees to comply with the terms

of any confidential disclosure agreement with Buyer and to comply with all proprietary information markings and restrictive legends applied by Buyer to anything provided hereunder to Seller. Seller agrees not to use any Buyer-provided information for any purpose except to perform this Order and agrees not to disclose such information to third parties without the prior written consent of Buyer.

18. Infringement

In the performance of the Work should Seller provide materials that are, or become, the subject of an infringement claim; Seller shall defend and save harmless Buyer from any liability arising out of such infringement and shall secure for Buyer the perpetual right to use the material or Seller shall bear the cost to modify all work based upon such material as to avoid any infringement.

19. Inspection and Acceptance

(a) Buyer and its customer may inspect all Work at reasonable times and places, including when practicable, during manufacture and before shipment. Seller shall provide all information, facilities and assistance necessary for safe and convenient inspection without additional charge.

(b) No such inspection shall relieve Seller of its obligations to furnish all Work in accordance with the requirements of this Order. Buyer's final inspection and acceptance shall be at destination unless otherwise specified in this Order.

(c) Seller shall not re-tender rejected Work without disclosing the corrective action taken.

20. Invoicing Instructions

(a) Unless otherwise specified in this Order, an invoice shall not be issued prior to shipment of items. Payment will not be made prior to receipt of correct acceptable items and a correct invoice which references the Order number. Any credit and discount periods will be computed on the date the Buyer receives a correct invoice. Unless freight and other charges are itemized, the discount will be taken on full amount of invoice.

(b) Seller shall submit invoices against this Order and expenses for each calendar month in which products or services are provided by the fifth working day of the following month. At least one original invoice in hard copy shall be submitted in accordance with the terms of the Order to JCFS, Attention: Accounts Payable. Seller agrees to submit a final invoice, and mark it as such, within thirty (30) days from completion of each work assignment or product delivery provided under this Order. Buyer will not be obligated to pay any charges received after this 30 day period.

21. Language and Standards

All reports, correspondence, drawings, notices, markings, and other communications shall be in the English language. The English version of the Order shall prevail. Unless otherwise provided in writing, all documentation and Work shall use the units of U.S. standard weights and measures.

22. New Material

The Work to be delivered hereunder shall be consist new materials, as defined in FAR 52.211-5 (not used, reconditioned, remanufactured, or of such age to impair usefulness or safety.

23. No Waiver

Buyer's failure to insist upon strict performance of this Order shall not constitute a waiver of any of the provision of this Order or any other default of Seller under this Order.

24. Order Direction

(a) Only the Buyer Procurement Representative has the authority to amend this Order. Such amendments/ changes must be in writing

(b) Buyer engineering and technical personnel may render assistance or give technical advice or discuss or effect an exchange of information with Seller's personnel concerning the Work hereunder. Such actions shall not be deemed to be a change under the Changes clause of this Order and therefore shall not be the basis for equitable adjustment.

(c) Action or direction by any Buyer customer shall not be deemed to be a change under the Changes clause of this Order and therefore shall not be the basis for equitable adjustment.

25. Packing

Seller shall be responsible for safe and adequate packing which shall conform to the requirements of carrier's tariffs. Seller shall separately number all cases, packages, etc., showing the corresponding numbers on the invoices. An itemized packing slip, bearing this Order number must be placed in each container. No extra charge shall be made for packaging or packing materials unless authorized in this Order.

26. Prices

Seller represents that the price of the items covered by this Order is not in excess of Seller's lowest price, in effect on the date of this Order, for comparable quantities of similar items in like circumstances.

27. Proprietary Information

(a) Buyer and Seller agree not to make known to any third party, for a period of five years from disclosure, any information of a proprietary or private nature acquired during the term of this Order and resulting there from. This prohibition shall include, but not be limited to secrets, plans, methods, processes, or procedures which affect the operation or activities of Buyer and Seller. All information, data, and ideas that are to be treated as confidential and/or proprietary shall be so labeled in writing, either on the face of such report and other documents as are furnished or, in the case of oral disclosures, in the form of a written notification to the recipient made prior to or contemporaneous with the disclosure.

(b) The above provisions shall not apply to (i) information already in the public domain, or which becomes known to the public domain through no fault of the receiving party, (ii) information already in the possession of the Receiving party which was obtained without restriction of confidentiality as demonstrated by written records, (iii) information hereafter rightfully received from any third party without binder of secrecy, or (iv) information hereinafter independently developed by employees of either party to whom such confidential information has not been disclosed.

28. Property Rights

Seller agrees and understands that the Work performed hereunder is Work for Hire and as such agrees that Buyer or his Customer own all rights to the work product of Seller and Buyer is the owner of all inventions, technology, designs, works of authorship, mask works, technical information, computer software, business information, and other information conceived, developed, or otherwise generated in the performance of this Order by or on behalf of Seller, unless otherwise noted on this Order. It is understood and agreed that no property in any form prepared or acquired by Seller in the course of fulfilling the requirements of this Order shall be the subject of an application for patent or copyright by or on behalf of Seller. Notwithstanding the above, computer software and technical data developed entirely at private expense and marked accordingly would be excluded from this clause.

29. Safety

Seller shall perform services in a proper manner to minimize the risk of loss, injury, or damage to property, or persons, and shall comply with all applicable safety requirements of any authority having jurisdiction, including issuances pursuant to the Occupational Safety and Health Act, the provisions of 10 CFR Part 21 as applicable and all safety procedures that Buyer may prescribe and has provided to Seller.

30. Severability

In the case any provision of this Order shall be declared illegal, invalid or otherwise unenforceable by a court of competent jurisdiction or waived in writing by Buyer, all remaining provisions of this Order shall continue in full force and effect.

31. Shipping

Seller shall comply with Buyer's shipping instructions. If such instructions are not set forth on this Order or attached, Seller shall request instructions from Buyer immediately.

32. Stop Work Order

(a) Seller shall stop Work for up to ninety (90) days in accordance with the terms of any written notice received from Buyer, or for such longer period of time as the parties may agree, and shall take all reasonable steps to minimize the incurrence of costs allocable to the Work covered by this Order during the period of Work stoppage.

(b) Within such period, Buyer shall either terminate or continue the Work by written direction to Seller. In the event of a continuation, an equitable adjustment, in accordance with the Changes clause may be made to the price, delivery schedule, or other provision affected by the Work stoppage, if applicable, provided the claim for equitable adjustment is made within thirty (30) days after such continuation.

33. Survivability

If this Order is terminated for default or convenience, Seller shall not be relieved of those obligations contained in this Order for the following clauses:

- 10. Export Control
- 14. Governing Law
- 16. Independent Contractor
- 17. Information of Buyer
- 27. Proprietary Property
- 28. Property Rights
- 39. Warranty
- 34. Taxes

The parties agree that the compensation does not include any withholding of applicable taxes. Seller shall remain responsible for payment of all taxes applicable to the services rendered by Seller under this Order.

35. Termination for Convenience

This Order and/or each Release hereunder may be terminated for convenience by Buyer, after giving written notice to the Seller. In the event of termination of this Order, all property, work product and information in any format acquired by Seller in the course of fulfilling the

requirements of this Order shall be promptly delivered to Buyer. If terminated by Buyer, the work shall be discontinued or deferred as provided in the termination instructions. Upon termination for convenience of Buyer, Seller shall be entitled to payment for work performed through the date of termination.

36. Time is of Essence

Time is of essence in performing this Order. If at anytime, it appears that Seller may not meet schedule, for any reason, Seller shall immediately notify Buyer verbally (to be confirmed in writing) of the reasons and propose a new schedule. Seller shall make every effort to avoid or minimize the delay. Failure to meet the original schedule (excluding superseding acts of God) shall be considered a breach of contract and subject to the provisions of the "Termination" clause.

37. Travel

If this Order requires travel, the time spent in travel shall be compensated only if spent in performing services while in a travel status and if authorized by Buyer.

38. U.S. Government End-User

If this Order is placed for a U.S. Government end-user, other terms may apply and, if so, will be attached to this Order.

39. Warranty

Seller warrants that all the items furnished hereunder shall conform fully with all requirements of this Order, shall conform to any and all written descriptions and specifications thereof produced by Seller and/or any sample or samples, if any, furnished to Buyer by Seller, shall be fit for the use intended by Buyer, and shall be free from defects in material, workmanship, design, and fabrication. These warranties shall remain in effect for a period of twelve (12) months, or as specified by Buyer, after final acceptance of the items by Buyer and/or its customer, whichever is later.

In addition to other remedies which may be available under law or in equity, Buyer, at its option, may (i) return to Seller any non-conforming or defective items, or (ii) require correction or replacement of such items at Seller's risk and expense. If Buyer does not require correction or replacement of such non conforming of defective items, then Seller shall refund to Buyer all or a portion of the price for such items, plus re-procurement costs (if necessary) as is equitable under the circumstance. The aforesaid warranties shall survive acceptance and payment and shall run to Buyer, its customers, and the users of the items. Neither party shall be responsible for acts of God, or indirect/consequential damages.