

CSD TERMS AND CONDITIONS OF TRADE

1 Definitions and Interpretation

1.1 In these terms and conditions:

- (a) 'Agreement' means the agreement between CSD and the Purchaser to provide Goods to the Purchaser subject to these terms and conditions as defined in clause 2 below;
- (b) 'CSD' means Central Security Distribution Pty Ltd ABN 25 129 573 164;
- (c) 'Goods' means the products, software and services supplied by CSD to the Purchaser as described in the Quotation or purchase order accepted by CSD;
- (d) 'Purchaser' means the purchaser of the Goods;
- (e) 'Quotation' means any quotation given by CSD to the Purchaser;
- (f) 'PPSA' means the *Personal Property Securities Act 2009* (Cth).

2 Terms

- 2.1 CSD may amend these terms and conditions by giving notice in writing, any amended terms and conditions shall apply immediately after giving such notice.
- 2.2 The Purchaser agrees that, upon placement of an order for Goods with CSD, the Goods will be supplied by CSD under these terms and conditions and the Purchaser will accept the purchase of the Goods under these terms and conditions.
- 2.3 These terms and conditions, the credit application, the credit terms, and any other written instruction or authority provided by CSD to proceed constitutes the entire agreement between the Purchaser and CSD to the maximum extent permitted by law.

3 Quotations

- 3.1 Any Quotation will remain valid for 30 days from the date of issue, unless otherwise stated in the Quotation.
- 3.2 The Purchaser acknowledges and agrees that:
 - (a) it is their responsibility to verify that Goods are fit for purpose;
 - (b) prices in the Quotation unless specifically stated otherwise are exclusive of GST, freight and other taxes, duties and charges;
 - (c) all Quotations are strictly confidential and will not be disclosed to any other party;
 - (d) the prices in the Quotation may vary after the date of issue of the Quotation and that it will pay for additional charges as required by CSD or any other

party.

4 Orders and Cancellations

- 4.1 Orders will not be binding upon CSD until accepted either formally in writing or by way of positive action to invoice or despatch the Goods.
- 4.2 CSD may in its discretion refuse to supply any order for any reason whatsoever.
- 4.3 Any order cannot be cancelled upon issuance by the Purchaser, unless it is expressly rejected or not accepted by CSD.
- 4.4 Furthermore, no order may be varied or cancelled except with the written consent of CSD, which consent may include such terms which will indemnify CSD against any losses incurred due to the cancellation.
- 4.5 The Purchaser acknowledges and agrees that each order placed by it is a representation to CSD that the Purchaser is solvent and able to pay CSD's accounts as and when they are due.

5 Price

- 5.1 Subject to these terms and conditions, the price of all Goods supplied by CSD to the Purchaser will be set at:
 - (a) CSD's listed price current at the time of delivery; or
 - (b) CSD's listed price less any discount agreed to in writing by CSD (trade price).
- 5.2 If currency exchange rates or customs duties for goods imported by CSD change between Quotation or Order and time of delivery, CSD may adjust the price to reflect such changes.
- 5.3 All prices unless specifically stated otherwise are exclusive of GST. Any GST payable must be paid by the Purchaser to CSD in the same manner and at the same time as the consideration for the supply is required to be paid by the Purchaser under these terms and conditions. Prices are subject to change at any time without notice.

6 Terms of Payment

- 6.1 Payment terms are strictly cash on delivery unless a credit facility is granted by CSD to the Purchaser.
- 6.2 If a credit facility is granted, CSD will invoice the Purchaser for Goods at the time of supply. All invoices are due and payable within 30 days following the month-end in which the invoice to which the Goods relate is issued.
- 6.3 The Purchaser acknowledges and agrees that

CSD is authorised to allocate the payment of any monies received from the Purchaser against any outstanding CSD account of the Purchaser.

6.4 If the Purchaser defaults in making payment in accordance with these terms and conditions, CSD may in its absolute discretion and without notice:

- (a) suspend payment discounts;
- (b) withdraw the approval of a credit facility and refuse any subsequent orders from the Purchaser for the supply of Goods;
- (c) charge the Purchaser interest on that portion of the Purchaser's account overdue at the penalty rate fixed under the Penalty Interest Rates Act 1983 (Victoria), calculated and payable daily, compounded from the due date until the invoice is paid in full;
- (d) require the Purchaser to reimburse CSD for all legal costs and expenses on a solicitor/client basis as a consequence of CSD instructing its solicitor to provide advice in connection with the default and/or to commence any recovery process and any other costs, expenses, losses or damages arising out of a breach of the Agreement.

6.5 The Purchaser agrees at the request of CSD to procure its directors to sign a personal guarantee and indemnity of the Purchaser's obligations to pay any amount due and payable to CSD, if and when required.

6.6 Any credit application approved by CSD for the Purchaser is granted by CSD on the basis of its reliance on information supplied by, and representations made on behalf of, the Purchaser.

6.7 The Purchaser must inform CSD of any change to the ownership of the Purchaser by notice in writing immediately. Until such notice is received by CSD the Purchaser, and if the Purchaser is a trustee each of the trustees, will hold CSD indemnified against all losses of whatsoever nature incurred or suffered by CSD in trading with any person, company or other entity which may have purchased the Purchaser's business or any interest therein and used the Purchaser's previously approved credit account for trading.

6.8 The Purchaser hereby grants CSD the authority to lodge a consent caveat over any real property owned or partly owned by the Purchaser to protect its interests in respect of, and to secure any monies that are owed by the Purchaser to CSD.

7 Delivery and Freight

7.1 CSD accepts no responsibility either to deliver or to load Goods at the point of despatch.

7.2 CSD may in its sole discretion elect to arrange delivery of the Goods and charge the Purchaser a freight charge. If CSD elects to arrange delivery, it is at the Purchaser's cost and risk.

7.3 CSD will make all reasonable efforts to deliver the Goods by the agreed delivery date but will not be liable in any way should delivery not be made on this date.

7.4 Where the Goods supplied comprise of services, upon completion of provision of these services:

- (a) the Purchaser is responsible for ensuring that the goods operate in accordance with the specifications; and
- (b) the services are deemed accepted within 5 business days of the date of completion of provision of the services unless the Purchaser notifies CSD that the goods do not conform with the specifications by written notice.

8 Reservation of Title

8.1 The Purchaser acknowledges that the ownership of Goods delivered by CSD is only transferred to the Purchaser when the Purchaser has paid all sums owing to CSD on any account whatsoever and that until such time CSD has the right to call for or recover the Goods at CSD's option (for which purposes CSD's employees or agents may enter the Purchaser's premises) and the Purchaser is obliged to deliver up the Goods if so directed by CSD.

8.2 The Purchaser agrees to keep the Goods in a fiduciary capacity for CSD until such time as ownership is transferred to the Purchaser.

8.3 Notwithstanding clause 8.2, the Purchaser may sell the Goods to a third party in the ordinary course of business provided that the Purchaser will hold on trust for CSD the proceeds of such sale and will keep those amounts in a separate bank account and immediately apply same in payment to CSD.

9 PPSA

9.1 The Purchaser acknowledges and agrees that it grants CSD a security interest in the Goods and their proceeds including any accounts and accessions by virtue of these terms and conditions.

9.2 The Purchaser agrees that:

- (a) these terms and conditions, or such other terms and conditions as CSD may adopt from time to time, apply to the supply of Goods by CSD to the Purchaser to the

exclusion of all other terms and conditions of trade;

- (b) no variation to these terms and conditions will be of any effect unless agreed to by CSD in writing;
 - (c) the Goods supplied by CSD secure the payment of the purchase price of those Goods and of any other Goods supplied by CSD;
 - (d) it will do all things necessary including providing all information required to register a financing statement or financing change statement on the Personal Property Securities Register (PPSR) as a security interest and a purchase money security interest (PMSI) pursuant to the PPSA;
 - (e) it will not change its name, ACN or ABN or other details required on the PPSR without first notifying CSD;
 - (f) it waives its right to receive any notice under the PPSA including a verification statement in respect of any financing statement or financing change statement in respect of the security interest created pursuant to these terms and conditions;
 - (g) it must pay CSD's costs of any discharge or necessary amendment of any financing statement or financing change statement.
- 9.3 To the maximum extent permitted by law, the Purchaser agrees that the following sections of the PPSA will not apply:
- (a) section 118;
 - (b) section 121(4);
 - (c) section 125;
 - (d) section 130;
 - (e) section 142; and
 - (f) section 143.
- 9.4 To the maximum extent permitted by law, the Purchaser waives any rights it may have pursuant to, and hereby contracts out of the following sections of the PPSA:
- (a) section 95;
 - (b) section 118;
 - (c) section 121(4);
 - (d) section 123;
 - (e) section 129(2);
 - (f) section 130;
 - (g) section 132;
 - (h) section 134(2);
 - (i) section 135;
 - (j) section 157; and
 - (k) Part 4.3.
- 9.5 Unless otherwise defined in these terms and conditions, the terms and expressions used

in this clause have the meanings given to them or by virtue of the PPSA.

10 Risk

Notwithstanding the provisions of clauses 8 and 9 the Purchaser accepts all risk of loss and damage of the Goods, whether caused by the Purchaser or not, once the Goods have left the CSD premises.

11 Returns Policy

- 11.1 CSD will not accept returns for credit without prior authorisation.
- 11.2 Any customised or non-stocked Goods may not be returned for credit under any circumstances.
- 11.3 CSD may allow returns for credit at its sole discretion, but in any event:
 - (a) requests for return and credit must be made within 30 days of invoice, and will be refused after 30 days of invoice;
 - (b) the Goods which the Purchaser wishes to return for credit must be in their original unmarked and undamaged packaging and in 'as new' and saleable condition free of any damage whatsoever;
 - (c) the Goods must be accompanied by CSD's completed Goods Return Request Form;
 - (d) the Purchaser will be responsible for the cost of and for effecting delivery of the Goods returned to CSD, unless the return is due to incorrect supply or faulty goods;
 - (e) upon receipt of the returned Goods, CSD will credit the Purchaser's account less a 10 percent restocking fee. The restocking fee charged by CSD may be greater than 10 percent in its sole discretion.
- 11.4 This clause is subject to the Purchaser's statutory rights under the *Competition and Consumer Act 2010* (Cth).

12 Claims

- 12.1 Any claims by the Purchaser for short delivery must be made within 7 days of the delivery.
- 12.2 Any other claims for adjustment to any invoice for any reason whatsoever must be made in writing within 30 days of the invoice date.

13 Withholding Supply

- 13.1 CSD reserves the right, irrespective of whether or not an order has been accepted and without notice to the Purchaser, to withhold supply to the Purchaser and CSD will not be liable for loss or damage resulting directly or indirectly from such action where:
 - (a) the Goods ordered have been discontinued; or
 - (b) CSD has determined, in its absolute discretion, that credit should no longer be extended to the Purchaser.

14 Non-availability

Whilst every effort will be made to fulfil

the Purchaser's order for the Goods, CSD will not be liable for any loss or damage whatsoever resulting directly or indirectly from non-availability of the Goods.

15 Licences and Regulations

15.1 It is the Purchaser's responsibility to obtain any licence, consent or approval required by any government or other authority for the purchase or use of the Goods.

15.2 The Purchaser must comply with all applicable laws, regulations and requirements in connection with its use, resale or other on-supply of the Goods to third parties, including but not limited to the *Competition and Consumer Act 2010*.

16 Warranty and Liability

16.1 CSD warrants that the Goods are free from defects in materials and workmanship. This is the only warranty provided by CSD for the Goods. This warranty is for 12 months (or in the case of software, 30 days) from the effective date of delivery of the Goods, or such period provided in the manufacturer's warranty documentation accompanying the Goods, whichever is the lesser. This warranty is conditioned upon the Purchaser providing CSD prompt written notice of the Goods' failure to perform in accordance with its specifications. CSD provides no warranty, representation or guarantee that any Goods' use or performance, or that the operation of the Goods will be fail-safe, uninterrupted, free from error or defects, free from cyber threats or events, or be compatible with any other product, software or system. The entire risk arising out of the use or performance of the Goods remains with the Purchaser. The Goods may contain or be integrated with independent third-party products and rely on them to perform certain functionality. CSD makes no warranty as to the operation of any third-party products or the accuracy of any third-party information. If any service is provided by CSD for a fee, whether in connection with any supply of Goods or not, CSD warrants that such services are provided with reasonable care and meet the specifications agreed in writing between CSD and the Purchaser (if any). The Purchaser agrees to be bound by, comply with and ensure that its customers comply, at all times, with any licence terms pertaining to Goods sold by CSD to it.

16.2 If the Purchaser makes a valid warranty claim in respect of any goods, CSD will, at its option, either repair the Goods, supply replacement Goods, or reimburse the

Purchaser for the price; or in respect of any services provided for a fee, CSD will, at its option, reperform the services or reimburse the Purchaser for the price. CSD shall not be liable for defects arising from fair wear and tear and the warranty for the Goods set out in clause 16.1 above shall not apply to the Goods which have been subjected to misuse or abuse, neglect, accident, damage, improper storage, improper installation, use or maintenance, or a malfunction caused by any equipment or software not provided by CSD.

16.3 The Purchaser is liable for the transport or other cost of sending warranty claim Goods to CSD, and for collection of repaired or replacement Goods.

16.4 CSD does not exclude or limit the application of any provision of any applicable statute, legislation or other regulation (including the *Competition and Consumer Act 2010* (Cth)) where to do so would contravene that statute, legislation or regulation or cause any part of these terms and conditions to be void and nothing in these terms and conditions is to be interpreted as doing so.

16.5 Except for the warranty provided by CSD in Clause 16.1 above, the Goods are provided "as is". Subject always to clause 16.4 and unless otherwise stated above, CSD excludes all statutory or implied conditions and warranties to the maximum extent permitted by law, including but not limited to, the implied warranties of merchantability, quality, fitness for a particular purpose, title or non-infringement, except any implied term, condition, guarantee or warranty the exclusion of which would contravene any statute or cause this clause to be void ('Non-excludable Condition').

16.6 To the fullest extent permitted by law, CSD's liability to the Purchaser for breach of any Non-excludable Condition which is applicable is limited to, at the option of CSD:

(a) in the case of goods:

- (i) the replacement of the goods or the supply of equivalent goods, the repair of the goods; or
- (ii) the payment of the cost of replacing the goods or acquiring equivalent goods; or
- (iii) the payment of the cost of having the Goods repaired; or

(b) in the case of services:

- (i) rectification services or the re-supply of the services; or

- (ii) the payment of the cost of rectification or re-supply of the services.

16.7 To the maximum extent permitted by law, CSD excludes its liability (including, but not limited to, liability in tort, contract and for breach of statute) to the Purchaser or any other person for:

- (a) any loss or damage of any kind whatsoever, arising from the supply of the Goods by CSD to the Purchaser consequential or otherwise for any special, incidental, indirect, punitive or consequential damages or injury including, but not limited to, any loss or corruption of data, loss of profits, contracts, or revenue arising out of or in connection with the provision of the Goods and whether as a result of any breach, default, negligence or otherwise by CSD suffered or incurred by the Purchaser or any other person in relation to the Goods directly or indirectly, even if the loss or damage was foreseeable or CSD may have been advised of the possibility of such damages; and
- (b) in particular, but without limiting clause 16.7(a), any loss or damage consequential or otherwise suffered or incurred by the Purchaser or any other person caused by or resulting directly from any failure, defect or deficiency of any kind of or in the Goods.

16.8 Subject to clauses 16.7 and 16.9, CSD's maximum aggregate liability (including any liability for the acts or omissions of its employees, agents and sub-contractors) to the Purchaser whether for tort (including negligence or breach of statutory duty), breach of contract (including deliberate, repudiatory breach by CSD), misrepresentation, restitution or otherwise, in connection with any Goods supplied by CSD, shall in no circumstances exceed the purchase price of the relevant Goods which give rise to such liability, as determined by the net price invoiced to the Purchaser.

16.9 Where the Goods supplied comprises solely of services which are supplied on a subscription basis where a periodic fee is paid in relation to the services supplied, CSD's maximum aggregate liability (including any liability for the acts or omissions of its employees, agents and sub-contractors) to the Purchaser whether for tort (including negligence or breach of statutory duty), breach of contract (including deliberate,

repudiatory breach by CSD), misrepresentation, restitution or otherwise shall in no circumstances exceed the price of the relevant service which give rise to such liability as determined by the net price invoiced to the Purchaser in the three (3) month period immediately preceding the date of the claim. For the avoidance of doubt, if the Goods comprises of the supply of goods and services initially (**Initial Services**), followed by a subscription service, CSD's liability in relation to the Initial Services is limited in accordance with the provisions of clause 16.8 and CSD's liability in relation to the subscription services is limited in accordance with the provisions of clause 16.9. If the cost of the Initial Services are bundled with the subscription services and the parties have not agreed in writing to a breakdown of the fees associated with the Initial Services and subscription services, then CSD's liability will be limited in accordance with the provisions of clause 16.9.

16.10 The Purchaser acknowledges that goods supplied by CSD to certain customers who may be appropriately certified may be supported by free technical support without additional charge. When using those free services the Purchaser acknowledges that it voluntarily accepts all risks associated with their use of those services and that CSD owes no duty of care in relation to the provision of those services. The Purchaser indemnifies and keeps indemnified CSD against all liability and claims arising out of or in connection with the Purchaser's use of the free technical support services.

16.11 The Purchaser acknowledges that Goods may fail and is not designed, developed, tested, licensed or intended for use in the design, construction, operation, maintenance, security, or protection of High Risk Facilities. CSD has no responsibility for, and the Purchaser indemnifies and holds harmless CSD from all claims, suits, demands, proceedings, liability, losses, damages, penalties, judgments, awards, expenses including legal costs and expenses on a full indemnity basis arising from or in connection with the Purchaser's use, deployment and/or sale of Goods in relation to High Risk Facilities. "High Risk Facilities" means a facility that requires extra safety functionalities such as fail-safe, fault tolerant performance features to maintain 100% security where it is reasonably foreseeable that failure or compromise of security system to the facility could lead to death, personal injury or catastrophic property damage which may include but are not limited to critical infrastructure, industrial plants, manufacturing facilities, direct life support devices, aircrafts,

trains, boats or other transportation vehicles, vehicle navigation or communications systems, air traffic control, weapons systems or facilities, nuclear facilities, power plants, medical systems and facilities, and transportation facilities.

17 Force Majeure

CSD will not be liable for any loss or damage sustained by the Purchaser through delay in delivering the Goods caused by circumstances outside of the reasonable control of CSD.

18 Intellectual Property Rights

The Purchaser acknowledges that it does not have any intellectual property rights, whether by way of copyright or registered design or otherwise, in the Goods and that CSD retains ownership of all such intellectual property.

19 Indemnity

Except as otherwise provided herein, the Purchaser indemnifies and holds harmless CSD against any and all actions, claims, proceedings, costs, losses, expenses, liabilities, including legal fees, whatsoever and howsoever caused or arising out of, connected with, or resulting from breach or non-compliance with any of its covenants, representations, undertakings or obligations under this agreement these terms and conditions, the Goods themselves or use of the Goods including without limitation the manufacture, selection, delivery, possession, use, operation, return or any and all damages or injuries caused thereby to anyone whatsoever.

20 Termination

- 20.1 CSD may immediately terminate all outstanding obligations to supply Goods, and/or suspend the Purchaser's credit facility, if the Purchaser:
- (a) breaches this Agreement;
 - (b) commits an act of bankruptcy or makes an arrangement with all or any number of its creditors, or has a receiver or liquidator appointed.
- 20.2 Upon termination provided by clause 20.1:
- (a) CSD may enforce its rights under this Agreement without prejudice to any other rights it may have;
 - (b) all other obligations upon the Purchaser shall remain, and any amounts owing to CSD then unpaid whether or not due under the terms of this Agreement shall immediately become due and payable.

21 General

- 21.1 The Agreement will be governed by the law of the State of Victoria. The Purchaser irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of that state.
- 21.2 The invalidity or unenforceability of any provision of the Agreement shall not adversely affect the validity or enforceability of the remaining provisions.
- 21.3 Any failure by CSD to insist on strict compliance with any term of the Agreement shall not be deemed a waiver of such term. Such failure shall in no way affect the right later to enforce such term.
- 21.4 CSD reserves the right to correct clerical errors without notification.
- 21.5 The Purchaser shall immediately notify CSD of any agreement to sell or otherwise transfer ownership or possession of more than 20% of the assets or business of the Purchaser, or to sell more than 20% of the capital stock or other ownership interest of the Purchaser.
- 21.6 Goods may be subject to export controls under the laws, regulations and/or directive of the United States and other countries, in which case, these Goods are only authorized for use (e.g., via a government approved and issued export licence, which the Purchaser must obtain) by the ultimate end-user in the destination identified in the transaction documents between CSD and the Purchaser. The Purchaser will not export, re-export or transfer, or cause a deemed export or re-export of the Goods (in their original form or after being incorporated into other items) to any country or person to which/whom export, re-export or transfer (actual or deemed) is prohibited without first obtaining all required authorisations or licences. To the extent permitted by law, the Purchaser will indemnify and hold CSD harmless from any loss or damage arising from its violation of any such laws, rules and regulations. Furthermore, the Purchaser will not use, transfer or access any Goods or services for end use relating to any nuclear, chemical or biological weapons, or missile technology unless authorized by the manufacturer and the U.S. Government by regulation or specific licence.