ACDI LIMITED WARRANTY POLICY EFFECTIVE DATE January 1, 2016

This Access Control Devices Incorporated ("**ACDI**") Limited Warranty Policy sets forth the performance and legal warranty terms governing all ACDI Product(s).

ACDI RESERVES THE RIGHT TO AMEND ITS LIMITED WARRANTY POLICY AT ANY TIME BY POSTING ANY SUCH AMENDMENT ON ITS WEBSITE FOUND AT www.acd-inc.com. ANY SUCH AMENDMENT WILL TAKE EFFECT ONCE SUCH AMENDED TERMS HAVE BEEN POSTED, AND SHALL THEREAFTER APPLY TO ALL ORDERS RECEIVED FROM YOU THEREAFTER.

- A. General Warranty: ACDI warrants each of its Products to be free from defects in materials and assembly in the course of **normal use** and service from the date of shipment by ACDI to YOU, the original buyer of the Product, for the period of time specified in this General Warranty Policy or other ACDI documentation associated with the Product. Absent a specified warranty period of greater duration as set forth in Exhibit A, ACDI warrants each of its Products to be free from defects in materials and assembly in the course of normal use and service for a period of ninety (90) days from the date of invoice by ACDI to YOU, the original buyer of the Product. Any hardware products or components that are not manufactured by ACDI, media on which non-ACDI software is distributed to YOU, or any of the foregoing for which ACDI is a distributor are not Products under this General Warranty Policy or the General Sales Policy and will be covered under the specific warranty provided by the applicable vendor, manufacturer or distributor. No dealer, distributor, re-seller, company or person has been authorized to change or add to the terms of this General Warranty Policy, and ACDI will not be bound by any representation or covenant to the contrary. Products are intended for consumer applications and are not suitable for use in biological hazard applications, nuclear control applications, radioactive areas, or any applications that provide life support or any critical function necessary for the support or protection of life, property or business interests, unless expressly set forth herein or in applicable Product documentation. YOU assume all responsibility and liability for the use of any Product in any of the foregoing applications.
- B. <u>Product Warranty Details</u>: YOUR sole and exclusive remedies for Product warranty claims pursuant to this General Warranty Policy are as follows:
 - 1. For all Products that ACDI determines to be defective and not abused, misused, repaired or modified, ACDI will, in its sole discretion, (i) repair the defective Product without charge; (ii) replace the defective Product with a new or refurbished Product (replacement Product being of similar model or functionality); or (iii) provide to YOU a credit towards YOUR future purchase of product from ACDI in the amount of the price paid by YOU for the defective product (excluding any shipping and handling cost).
 - 2. To return a defective Product which is under warranty to ACDI, YOU must:
 - a. Inform ACDI Customer Service that YOU have a Product that YOU believe to be defective.
 - b. Using the RMA form on ACDI's website, provide the following:
 - (i) The model and serial number of the Product claimed to be defective.

- (ii) A description of the Product defect.
- (iii) Other Mandatory fields as outlined on the form.
- c. ACDI will issue an RMA number to YOU. NO product will be accepted or credit given to YOU if the applicable warranty period for the defective Product has expired or product failure is not due to defects in materials and assembly in the course of **normal use** determined by ACDI.
- d. YOU must return the defective Product to ACDI with the RMA number clearly marked on the package. Shipment of the defective Product must be made within the timeframe specified on ACDI's RMA notice or within (15) calendar days from ACDI's issuance of the applicable RMA number, whichever period is longer. Any package returned to ACDI without an RMA number or shipped outside of the applicable RMA timeframe will be refused and shipped back to YOU at YOUR expense. A new RMA number must be obtained for any defective Product returned to YOU due to failure to adhere to this process. The defective Product must be returned to ACDI in a testable condition (e.g., wiring cable must be left attached, credentials cannot be cut in half, etc.) otherwise the warranty is invalid.
- e. ACDI will agree to Advance Replacement for a Warranty Product pursuant to one of the following conditions:
 - (i) A new Purchase Order is submitted for the full value of the product to be replaced. Shipping charges will be added to the Sales Invoice by ACDI. Upon receipt by ACDI of defective product from YOU, ACDI will evaluate the defective product pursuant to the terms listed in this document. If the product is received within the 15 day allowance and determined by ACDI to be defective and under warranty, ACDI will credit the Advanced Replacement Sales Invoice.
 - (ii) A credit card form provided by ACDI to YOU is filled out. ACDI will hold YOUR card on file until defective product is returned within the 15 day allowance. If the defective product is not returned within the 15 day allowance, ACDI reserves the right to charge YOUR credit card on file for total amount of the replacement product and all shipping and handling charges associated.
- f. Upon ACDI's receipt of the defective Product from YOU, ACDI will evaluate the defective Product to determine whether it is covered under ACDI's warranty. If ACDI determines the Product is covered under its warranty, ACDI will take the correct warranty action described in Section B, depending on the type of Product. If it is deemed not defective under said warranty, YOU agree to pay ACDI a minimum per unit charge of U.S \$50.00 for each Product evaluated by ACDI. All defective Products which are returned to ACDI and not returned to YOU will become the property and possession of ACDI.
 - (i) In the time period of 0-30 days from date of invoice: ACDI will assume responsibility for all shipping charges related to the warranty replacement process. All products will be shipped standard ground. Customer may supply ACDI with payment or shipping account information for express shipment.
 - (ii) In the time period of 30+ days from date of invoice: Customer will be responsible for all shipping and handling charges related to the warranty replacement

process. Customer may supply ACDI with shipping account information. Products will be shipping ground unless otherwise requested by customer.

- g. Evaluation of Out of Warranty Products: Upon YOUR request, ACDI may evaluate Product(s) which are not under warranty. If ACDI agrees to perform an evaluation, a minimum per unit charge of U.S. \$75.00 will be applied to each Product evaluated for the labor required in the evaluation. Any labor and parts will then be quoted at ACDI's current pricing rates.
- h. <u>Non-Warranty Repair Charges</u>: ACDI may agree to repair certain Products which are out of warranty. Please contact your local ACDI representative or Customer Service for applicable rates and charges.
- C. Extended Warranty: The Extended Warranty offered by ACDI must be obtained at the time of the original purchase. If the product being purchased qualifies, YOU may choose to purchase up to 4 additional years of warranty services. This Extended Warranty policy provides the same level of coverage as our General Warranty.
- <u>D.</u> Warranty Exclusions: Any implied warranty, including any implied warranty of merchantability, or warranty of fitness for a particular purpose, is limited in duration to the applicable warranty period as provided herein. Some states do not allow limitations on how long an implied warranty lasts, so this limitation may not apply to you.

Solely for purposes of clarity, ACDI provides the below non-exhaustive listing of items excluded from warranty coverage:

- Ancillary equipment not furnished by ACDI which is attached to or used in conjunction with an ACDI Product.
- Product which is used with any ancillary equipment that is not furnished by ACDI.
- Reader Modules embedded into other products.
- Tags/Inserts embedded into other products.
- Damage to the Product caused by neglect, improper handling, preparation, or installation of the Product.
- Misused Product.
- Product which is used for non-consumer applications.
- Product which is used in biological hazard applications, nuclear control applications, radioactive areas or any applications that provide life-support or any critical function necessary for the support or protection of life, property or business interests.

THIS WARRANTY DOES NOT COVER ANY INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGE, INCLUDING BUT NOT LIMITED TO ECONOMIC LOSS, LOST PROFITS, OR LOST EARNINGS. SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGE, SO THIS LIMITATION OR EXCLUSION MAY NOT APPLY TO YOU. THIS WARRANTY GIVES YOU SPECIFIC LEGAL RIGHTS, AND YOU MAY ALSO HAVE OTHER RIGHTS, WHICH VARY FROM STATE-TO-STATE.

E. Warranty Disclaimer: THIS GENERAL WARRANTY POLICY SETS FORTH THE FULL EXTENT OF ACDI'S WARRANTY RESPONSIBILITY. REPAIR, REPLACEMENT, OR CREDIT IN THE AMOUNT OF THE PURCHASE PRICE PAID FOR THE APPLICABLE DEFECTIVE PRODUCT, ACDI'S SOLE DISCRETION AS INDICATED ABOVE, IS THE EXCLUSIVE REMEDY. THIS WARRANTY IS PROVIDED IN LIEU OF ALL OTHER EXPRESS, IMPLIED AND STATUTORY WARRANTIES. ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT OF THIRD-PARTY RIGHTS, ARE SPECIFICALLY EXCLUDED.

Exhibit A

Select Product Warranty Periods

The following ACDI products offer a One Year Warranty Period, unless otherwise noted:

- EX2000 Series CoinOps
- The Swiper Series (Credit Card)
- ACD3000 Series
- ACD3180 Series
- KPE3000 Series
- CPAD Series
- RSX1000