Qolsys, Inc.

Warranty and Return Policy

As of August 30, 2013

This Warranty and Return Policy covers Qolsys, Inc. ("Qolsys") authorized products purchased directly from Qolsys and applies only to a party that purchased Qolsys authorized products directly from Qolsys ("Buyer"). Qolsys does not warrant the IQPanel when paired with unauthorized products unless approved in writing by Qolsys. This policy is subject to change at any time. Please consult our website, www.qolsys.com, for the currently effective policy.

Warranty

Subject to the above, Qolsys warrants that its authorized products are free from defects in workmanship and materials, and will perform according to Qolsys's published specifications, for the warranty period set forth in the following table.

Product	Warranty Period
Qolsys Security Control Panels	1 Year
Qolsys Wireless Security Sensors	1 Year
Qolsys-branded Third Party Product	Third Party Warranty
Third Party Product	Third Party Warranty

The warranty period begins upon shipment from Qolsys. If the product is purchased from an authorized Qolsys distributor, the warranty period begins upon the date of purchase from the distributor. If the date of shipment, or in the case of a purchase from a distributor, the date of purchase, is not available, then the warranty period begins at the product's manufacturing date code.

Qolsys shall have no obligation under this limited warranty or otherwise, for normal wear and tear, nor if the product is improperly installed, applied or maintained, improperly stored, operated outside of published specifications, altered, or improperly serviced or repaired, or if damage is caused by outside occurrences, including but not limited to, lightning, power surges, or any other circumstances beyond the control of Qolsys. Also, Qolsys shall have no obligation under this limited warranty or otherwise for defects resulting from modification, misuse, vandalism, fire, floods, acts of nature, or any catastrophes, natural or otherwise, or circumstances beyond the control of Qolsys, or any failures related to batteries of any type whether included with the products or not.

Qolsys warrants that any firmware or software included with the product will materially conform to Qolsys's published documentation for such firmware or software for 90 days after delivery by Qolsys to Buyer. If a product is discontinued, Qolsys may, at its discretion, set the warranty period going forward for such product to be shorter than the term of the original warranty.

Qolsys does not warrant that its products may not be compromised or circumvented; nor that the products will prevent any personal injury or property loss by burglary, robbery, fire, water, smoke, or otherwise, or that the products will in all cases provide adequate warning or protection. Buyer understands and will cause its customers to understand that properly installed and maintained products may only reduce the risk of burglary, robbery, fire, water damage, smoke damage, or other damage, without warning, but that it is not insurance or a guarantee that such will not occur or will not cause or lead to personal injury or property damage. CONSEQUENTLY, QOLSYS SHALL HAVE NO LIABILITY FOR ANY PERSONAL INJURY, PROPERTY DAMAGE OR OTHER LOSS BASED ON ANY CLAIM AT ALL INCLUDING BUT NOT LIMITED TO A CLAIM THE PRODUCT FAILED TO GIVE WARNING.

Subject to the terms of this limited warranty, during the warranty period, Qolsys will repair or replace, at its sole discretion, any defective products which do not meet this limited warranty, returned to Qolsys FOB shipping point. Qolsys, at its discretion may replace any product, or part of a product, with a new or a refurbished product or part. Buyer is responsible for labor costs of removal and reinstallation of products. Qolsys warrants the refurbished or replaced product under the terms of this limited warranty for 90 days, or for the remaining term of the original warranty, whichever is longer. To make a warranty claim, Buyer must first contact Qolsys Customer Service and request a return material authorization number (see "Returning Qolsys Products" in the currently effective Warranty and Return Policy on our website).

The preceding paragraphs of this limited warranty describe the exclusive remedies for claims based on any defect, failure, malfunction, or any other performance or nonperformance of any product, whether the claim is in contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, and however brought. All liability of Qolsys in connection with such exclusive remedies shall terminate at expiration of the warranty period. Buyer has 30 days after the warranty period to give written notice to Qolsys of any defect, failure, malfunction, or other performance or nonperformance issue that occurred during the warranty period. The foregoing limited warranty is exclusive and in place of all other warranties, whether written, oral, implied, or statutory. NO IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE SHALL APPLY. IN NO CASE SHALL QOLSYS BE LIABLE TO ANYONE FOR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES FOR BREACH OF THIS OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED, OR UPON ANY OTHER BASIS OF LIABILITY, EVEN IF THE LOSS OR DAMAGE IS CAUSED BY ITS OWN NEGLIGENCE OR FAULT AND EVEN IF QOLSYS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES. Notwithstanding the above, if Qolsys is held liable for any loss or damage related to products it sold, its maximum liability shall not exceed the purchase price of the product, and shall be the complete and exclusive remedy against Qolsys.

Returning a Qolsys Product

Prior to returning any product to Qolsys, a Qolsys representative must issue Buyer a return material authorization number ("RMA number"). All returns must have an RMA number whether they are warranty or non-warranty repairs, warranty replacements, immediate replacements, or credit returns. Qolsys reserves the right to reject products delivered to it that do not have an associated RMA number and return them to their originating site.

To get an RMA number, call or email the Qolsys Customer Service Center (contact information shown below) that handles the product. Qolsys will ask for the following information:

- 1) Purchase Order number
- 2) Part number
- 3) Serial number.

A customer service representative will assign Buyer an RMA number and send to Buyer an RMA form. Upon receiving the RMA number and form, securely package the products, attach a copy of the RMA form to the outside of the box, and send the equipment to the Customer Service Center at the address shown below.

Qolsys Customer Service Center 105 S. Puente Street Brea, CA 92821

Phone: TBD Email: TBD

Equipment must be returned freight prepaid and must be returned within 30 days of getting the RMA number. Qolsys reserves the right to cancel an RMA number if the equipment is not received by the Customer Service

Center within 30 days of the RMA number assignment. Returns sent freight collect and returns not associated with a valid RMA number will be returned to their origination at Buyer's expense.

Upon receipt of the equipment covered by an RMA number, Qolsys will determine the warranty coverage, if any. It is possible that returned equipment may contain parts that are not available and may not be repairable. In such cases Qolsys will contact Buyer to resolve the matter.

<u>Immediate Replacement</u>

Qolsys will ship immediate replacement equipment to replace equipment failing upon first installation. Immediate replacement is available during the first 180 days of the warranty period. Immediate replacement equipment will be shipped via ground transport. Buyer will be charged the freight for faster shipment requested.

Immediate replacements will be invoiced to Buyer upon shipment. Qolsys will test the returned equipment. If Qolsys's testing determines that the returned equipment is not defective or that any operating issues were caused by user action, including but not limited to improper installation, improper use, and abuse, then Buyer shall remain responsible for paying for the returned equipment and such equipment will be returned to Buyer at Buyer's expense. Immediate replacement is not available for custom products.

Credit Returns

An RMA number is required for all returns for credit or refund. Subject to a 25% restocking fee, and subject to Qolsys inspection and approval, Qolsys will issue credit for unused, new, standard, non-custom products that are returned under an RMA number in their original unopened shipping cartons within 60 days of their original ship date. No credit or refund will be issued for returns more than 60 days after their original ship date, nor for custom products. Credits must be used within one year of their issuance.

Packing the Return Shipment

It is Buyer's responsibility to pack return products securely and safely. Qolsys may deny warranty coverage for return products damaged during handling and shipping. The following packing requirements must be followed:

- 1) All products must be contained in their original packaging or equivalent packaging
- 2) All products must be packed securely inside any external shipping box to prevent any damage.
- 3) External shipping packaging must protect contents from damage during shipping.