

GENERAL TERMS AND CONDITIONS OF AEG IDENTIFIKATIONSSYSTEME GMBH CONCERNING THE SALE OF PRODUCTS AND SERVICES

As of May 2019

A. GENERAL TERMS AND CONDITIONS OF AEG IDENTIFIKATIONSSYSTEME GMBH CONCERNING THE SALE OF PRODUCTS AND SERVICES

I. SCOPE OF APPLICATION

These General Terms and Conditions as amended shall apply to all contracts between AEG Identifikationssysteme GmbH (hereinafter referred to as "AEG ID") and its contract partners (Customers, Ordering Parties) if these are entrepreneurs within the meaning of § 14 of the German Civil Code (Bürgerliches Gesetzbuch/BGB), i.e. if these are natural or legal persons or partnerships with legal personality who or which, when entering into a legal transaction, act in exercise of their trade, business or profession. Any provisions which deviate from these General Terms and Conditions, in particular any contrary general terms and conditions, shall not become part of a contract, unless AEG ID has expressly approved their applicability in writing. These General Terms and Conditions also apply where AEG ID provides the services without reservation, in the knowledge of any terms and conditions that conflict with or deviate from these General Terms and Conditions.

II. FORMATION OF CONTRACT, SCOPE OF DELIVERIES OR SERVICES

- Offers by AEG ID are subject to change and are not binding, as a matter of principle, unless AEG ID submits a concrete, customized and written offer. Unless otherwise stated, AEG ID shall be bound by such offer for a period of twenty-one (21) days from the date of its preparation. A contract shall only come into existence through the Customer accepting such offer in textual form, through AEG ID accepting an order from the Customer in textual form, through delivery or through commencement of the execution. Any contract shall be concluded subject to the correct and complete receipt of the corresponding supplies at AEG ID, provided that sufficient covering transactions were agreed upon and these are required for the performance of the contract.
- The Customer shall be bound by its offer (order) for a maximum period of fourteen (14) days.
- AEG ID unrestrictedly reserves all intellectual property rights and copyrights to cost estimates, drawings and other documents; they may only be furnished to third parties with the prior consent of AEG ID. All of the documents referred to above as well as the cost estimates, drawings and other documents pertaining to offers, which were handed or transmitted to the Customer, are to be returned promptly to AEG ID without waiting to be asked to do so once the order has been processed or has not been placed with AEG ID. The Customer's documents may be provided to such third parties to whom AEG ID has permissibly transferred deliveries or services.
- With regard to deliveries of products, including but not limited to cards, chips and modules, AEG ID reserves the right to make customary and reasonable changes to or divergences from the quantities delivered by up to plus or minus 10 % of the total quantity ordered. Such changes and deviations shall be considered in the agreed calculation of the remuneration.

III. CUSTOMER'S DUTIES TO COOPERATE

- The Customer shall provide AEG ID with access to the information required for AEG ID's activities at any time, and in particular, furnish documents and instruct the Customer's own employees to provide information. The Customer will inform AEG ID of all circumstances relevant to the effective provision of deliveries or services without waiting to be asked to do so.
- At AEG ID's request, the Customer shall confirm in writing the correctness and completeness of the documents submitted and the information provided by the Customer.
- If the Customer does not comply with its duty to cooperate (e.g. provision of parts or raw materials, graphics, design specifications, official confirmations, programming keys and other programming authorisations) despite a written warning notice and a deadline or if the Customer repeatedly and seriously infringes its contractual obligations, AEG ID shall be entitled to terminate the contract without notice. Apart from the assertion of this right of termination, AEG ID shall have a claim to compensation for any damage or loss incurred by the initiation of the reason for the termination or additional expenditure caused hereby. In any case, AEG ID shall have a claim to the total remuneration minus any expenditure not incurred.

IV. PRICE

Unless expressly provided otherwise, the prices shall apply on the basis of FCA AEG ID, Hörvelsinger Weg 47, 89081 Ulm, Germany, in accordance with the Incoterms 2010, however, plus packing and the statutory value-added tax.

V. RETENTION OF TITLE

- AEG ID retains title and ownership to the goods until all of AEG ID's claims against the Customer arising from the business relationship, including any future receivables from any contracts concluded simultaneously or subsequently, have been paid. This shall also apply even if individual or all of AEG ID's receivables have been incorporated into a current account and a balance has been struck and accepted.
- In the event that the Customer is in breach of contract, in particular, if the Customer is in default of payment, AEG ID shall be entitled to take back the goods. AEG ID's action of taking back the goods does not mean a withdrawal from the contract, unless AEG ID had expressly declared this in writing. After taking back the goods, AEG ID shall be entitled to realize the goods; the proceeds of such realization is to be credited to the Customer's liabilities – after deducting reasonable realization costs.
- The Customer is obliged to handle the goods with care; in particular, the Customer is obliged to insure the goods at the Customer's expense against damage or loss due to fire, water or theft at the value of the goods when new. Insofar as maintenance or care is required, the Customer must perform such work promptly at the Customer's own expense.
- In the event of seizures or other third-party encroachments, the Customer must inform AEG

ID hereof in writing immediately, so that AEG ID will be able to bring an action pursuant to § 771 German Code of Civil Procedure (Zivilprozessordnung/ZPO). To the extent that the third party is unable to reimburse AEG ID for the court and out-of-court costs of a lawsuit pursuant to § 771 ZPO, the Customer shall be liable for the loss incurred by AEG ID.

- The Customer is entitled to resell the goods during the ordinary course of business; however, the Customer shall already assign to AEG ID all of the receivables in the amount of the final amount of the bill (including the value-added tax), which accrue to the Customer from such resale against the Customer's buyers or third-parties independently of whether the goods have been sold prior to or after processing. The Customer continues to be authorized to collect this receivable even after the foregoing assignment. AEG ID's authority to collect the institution of insolvency or settlement proceedings has been filed and the Customer has not discontinued making payments. If this should prove to be the case, AEG ID may demand that the Customer discloses to AEG ID the receivables assigned and their debtors, provides all of the information necessary for the collection of the receivables, hands over the pertinent documents and notifies the debtors (third parties) of the assignment.
- The processing or reworking of the goods by the Customer shall always be undertaken on behalf of AEG ID. If the goods are processed together with other items not belonging to AEG ID, AEG ID shall acquire co-ownership to the new goods at a ratio of the value of the goods (final amount of the bill, including the value-added tax) to the other intermixed items at the time of such intermixture. In other respects, the same shall apply to the item created through processing as for the goods delivered subject to retention of title.
- If the goods are intermixed with other items not belonging to AEG ID, AEG ID shall acquire ownership to the new item at a ratio of the value of the good (final amount of the bill including value-added tax) to the other items intermixed at the time of the intermixture. If the intermixture is done in such a way so that the Customer's item is to be regarded as the primary item, it is herewith agreed that the Customer shall transfer co-ownership to AEG ID proportionately. The Customer shall preserve AEG ID's sole ownership or co-ownership created in this manner.
- AEG ID agrees to release the collateral due AEG ID on the Customer's demand to the extent that the realizable value of the collateral exceeds the receivables to be secured by more than 10 %; the selection of collateral to be released shall be incumbent upon AEG ID at its reasonable discretion.

VI. TERMS OF PAYMENT

- Payments are to be made to AEG ID's pay office within the agreed time allowed for payment and without any deductions, or if nothing else has been agreed, payments are to be made promptly and net and without any deductions. The date on which AEG ID is unconditionally credited with the payment shall determine compliance with the period for payment as well as with any other agreed terms of payment.
- In the event of default, AEG ID may insist on interest in the amount of 9 % over the base (lending) rate per annum and may charge the statutory flat fee of EUR 40.00 for the reminder. If AEG ID is able to prove higher losses as a result of the default, AEG ID shall be entitled to assert such higher losses.
- If at any time the Customer seems to be unable or unwilling to meet the terms of payment, AEG ID may require satisfactory assurance of full or partial payment as a condition to commencing or continuing delivery, and may, if shipment has been made, recover the goods from the carrier, pending receipt of such assurances. The Customer shall reimburse AEG ID upon request for any additional costs thereby incurred by AEG ID.

VII. LIMITATION OF THE RIGHT TO SET OFF AND THE RIGHT OF RETENTION

- The Customer may set off payments only if its counterclaims are undisputed or have been recognised by declaratory judgment or by AEG ID or if the Customer's counterclaims are based on the same performance-and-consideration relationship as AEG ID's claim pursuant to section 320 BGB.
- The Customer shall only have the right of retention if the counterclaims are based on the same legal relationship and are undisputed or have been recognised by declaratory judgment and also if the counterclaims are based on the same performance-and-consideration relationship as AEG ID's claim pursuant to section 320 BGB.

VIII. DEADLINE FOR DELIVERIES OR SERVICES

- Compliance with delivery deadlines and delivery dates presupposes the timely receipt of all of the documents to be furnished by the Customer, the required approvals, releases, timely clarification and approval of plans, and compliance with the agreed terms of payment and other obligations. If these prerequisites are not complied within time, the deadline shall be extended accordingly, or new delivery dates shall be agreed. Furthermore, AEG ID is entitled to demand compensation for any damage or loss incurred hereby.
- For deliveries, a deadline shall be deemed complied with, if the ready-to-use shipment is dispatched within the agreed delivery or service period or has been fetched by a common carrier. In the event that the dispatch is delayed for reasons for which the Customer is responsible, the period shall be deemed complied with upon notification that the shipment is ready for dispatch within the agreed period. § 294 German Civil Code is contracted out, therefore. The remaining statutory prerequisites pertaining to a default in taking delivery shall remain unaffected hereby.

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- Delays in delivery and service due to Acts of God – i.e. circumstances or incidents which cannot be prevented despite due care by the management – shall suspend AEG ID's contractual obligations for the duration of the disruption and the scope of its impact. Such circumstances or incidents entitle AEG ID to postpone the delivery or the service by the duration of the impediment plus a suitable start-up period or to withdraw from the contract either wholly or partly with regard to the not yet performed part of the contract. If such circumstances or incidents exceed the period of two (2) months, the Customer is entitled, after setting a suitable grace period, to withdraw from the contract regarding the not yet performed portion of the contract. The Customer shall only be entitled to withdraw from the whole contract if it complies with the provisions of § 323 (5) BGB. In such case the Customer shall not be entitled to assert any other claims.
- If the Customer is in default in taking delivery, AEG ID may store the goods at the Customer's risk and expense. The Customer shall reimburse AEG ID for the storage costs incurred during the period of storage provided that these are in accordance with local custom.
- AEG ID shall be entitled to make partial deliveries and provide partial performance at any time, provided that this is reasonable for the Customer.

IX. PASSING OF RISKS

- The risk of accidental loss and accidental worsening of the goods shall pass to the Customer – even with partial deliveries – once the goods are handed over, and in the event of a sales shipment, once the goods are delivered to the forwarding agent, the carrier or other persons or institution designated to execute the shipment. Packing will be done with the customary care. Goods will be shipped at AEG ID's best discretion. At the Customer's written request and expense, the shipment will be insured by AEG ID against damage due to breakage, transport and fire.
- If the delivery or service is delayed for reasons for which the Customer is responsible, the risk shall pass to the Customer with the notification that the goods are ready to be shipped.

X. WARRANTY

- The Customer undertakes to examine the goods delivered immediately for visible defects, and in particular, for obvious errors in quantity or obvious damage, and to report such to AEG ID in writing by no later than within two (2) weeks of receiving the goods; the assertion of warranty claims will be excluded otherwise. The customer shall notify any non-obvious defects to AEG ID in writing without undue delay after their discovery, however, no later than two (2) weeks after their discovery.
- If the services provided or the items delivered are defective or if one or several of its warranted characteristics is/are missing, AEG ID shall be obliged, at its own discretion, to remedy the defects or deliver a substitute. The ordering party must grant appropriate time and opportunity for this. If the Customer cannot reasonably be expected to accept the remedy of defects or the delivery of a substitute or AEG ID refuses to provide supplementary performance or the supplementary performance is impossible or fails at least twice, the Customer shall be entitled to reduce the purchase price or withdraw from the contract. Claims for damages only exist under Article XI of these General Terms and Conditions.
- The Customer's warranty claims shall become time-barred one year after the statutory commencement of the period of limitation. This shall not apply to any claims for damages based on defects or to any claims under the German Product Liability Act (Produkthaftungsgesetz). Item XI shall apply to damage claims for defects even if such claims are based on the violation of an obligation to remedy a defect. Unless otherwise provided in item XI, the statutory limitation period shall apply to any and all claims for damages even if such claims are based on the violation of an obligation to remedy a defect. The limitation periods that apply to a recourse against a supplier pursuant to sections 478, 479 BGB shall remain unaffected.
- With regard to the quality of the goods, the manufacturer's product description only shall be deemed agreed. Public statements, praises or advertising of the manufacturer do not represent any contractual indication of the quality of the goods.
- If AEG ID's statements pertaining to suitability, processing and application of its products are not complied with by the Customer, if changes are made to the products, if parts are replaced or modules are used, which do not correspond to the original specifications, AEG ID shall not be liable for defects, unless the Customer proves that the defects were not caused by or based on the aforementioned measures.

XI. LIMITATIONS OF LIABILITY

- AEG ID's liability shall be in accordance with the law, unless provided otherwise by the below provisions.
- In the event of negligence, unless gross negligence is involved, AEG ID's liability shall be limited to
 - injury to life, limb or health or
 - the violation of material contractual obligations, in which case, however, liability shall be limited to the foreseeable and typical damage or loss, unless injury to life, limb or health is involved. Material contractual obligations are deemed to be such obligations whose fulfillment is crucial for the proper performance of the contract and on the fulfillment of which the Customer may rely on as a general rule.
- In the event of injury to life, limb or health, the Customer's liability claims shall become time-barred in accordance with the statutory provisions. In other respects, liability for damage caused by negligence shall become time-barred one year after the statutory commencement of the period of limitation, unless such damage was caused by gross negligence.
- To the extent that AEG ID's liability is excluded or limited in accordance with the above provisions, this shall also apply to the personal liability of AEG ID's employees, representatives and vicarious agents.
- The limitations of liability mentioned in items 2 to 4 above shall not apply to any claims under the German Product Liability Act (Produkthaftungsgesetz).

XII. THIRD-PARTY INDUSTRIAL PROPERTY RIGHTS

AEG ID's liability under Article X and Article XI of these General Terms and Conditions shall be limited to the infringement of third-party industrial property rights or copyrights if this relates to rights that apply in Germany and if such infringement occurs during proper use of the items delivered or services provided by AEG ID. AEG ID assumes no guarantee that the goods delivered and services provided by AEG ID will not infringe any third-party property rights or copyrights in any country other than the Federal Republic of Germany. In other respects, AEG ID's liability for the infringement of third-party property rights or copyrights shall be excluded.

XIII. SECRECY AND DATA PROTECTION

- The Customer is obliged to keep all sales documents, specifications and price lists received, as well as other documents and information ("confidential information") secret and to impose this obligation on its vicarious agents and employees accordingly. Items owned by AEG ID are to be stored so that they cannot be made accessible to unauthorized third parties. Confidential information and items owned by AEG ID may only be disclosed to third parties with AEG ID's express consent. This duty of secrecy shall also apply after this contract has been completed for a period of two (2) years.
- Unless otherwise expressly agreed in writing, the information submitted to AEG ID in connection with orders shall not be deemed to be confidential.
- AEG ID is authorized, as part of the intended purpose of this business relationship, to process the personal data entrusted to AEG ID or to have such data processed by third parties in compliance with the data protection provisions.
- AEG ID may include the Customer's name in its own list of references.

XIV. TRANSFERRING RIGHTS AND OBLIGATIONS

AEG ID shall be entitled to transfer the contracts concluded by and between AEG ID and the Customer to a company affiliated with AEG ID within the meaning of § 15 German Stock Corporation Act (Aktengesetz/AktG), here in particular to AEG ID s.r.o., Nadrazni 472, 54301 Vrchlaby, Czech Republic, together with all of the rights and duties pertaining thereto without the Customer's consent.

XV. FORUM AND VENUE, APPLICABLE LAW

- Insofar as the Customer is a merchant within the meaning of the German Commercial Code (Handelsgesetzbuch/HGB), a legal entity under public law or a special trust or fund under public law, the sole forum and venue for any and all disputes arising from and in connection with this contract shall be the courts in Ulm. However, AEG ID shall also be entitled to bring an action against the Customer at the court competent for his/his/her residence or registered office.
- The laws of the Federal Republic of Germany shall apply exclusively to these General Terms and Conditions for the Sale of Products and Services and to all legal relationships between AEG ID and the Customer to the exclusion of all international and supranational treaties and legal regimes, in particular the UN Sales Convention (United Nations Convention on Contracts for the International Sale of Goods) and to the exclusion of German private international law.

B. SPECIAL SUPPLEMENTARY TERMS AND CONDITIONS FOR SERVICES PROVIDED BY AEG ID

I. PROJECTS

- AEG ID shall provide its services at its own discretion through its bodies, employees or sub-contractors, i.e. the project team. AEG ID may replace the project team either wholly or partly.
- AEG ID shall render its services at its respective branch office, as a matter of principle. As needed, the parties shall reach an agreement concerning the provision of services on the Customer's premises.

II. TERMINATION OF CONTRACTS

- The parties may terminate a service contract even without the existence of good cause at any time with a notice period of three (3) months to the end of a month.
- Terminations must be made in writing to be valid.