



**tagltron GmbH General Terms and Conditions
concerning the Sale of Products and Services
Date: January 2017**

A.

**General Terms and Conditions for the Sale of
tagltron GmbH Products and Services**

I. Scope of Application

1. The General Terms and Conditions of tagltron GmbH, Am Grarock 8, 33154 Salzkotten shall apply exclusively to the sale of products and services and the Customer agrees to these Terms and Conditions when placing an order. Deviations from the tagltron GmbH General Terms and Conditions shall only apply if they have been acknowledged in writing by tagltron GmbH.
2. Conflicting conditions or conditions deviating from the tagltron GmbH General Terms and Conditions or conditions by the Customer which change the contract are herewith rejected; they shall only be valid vis-à-vis tagltron GmbH if tagltron GmbH agrees to such changes in writing. This shall also apply in particular in the event that an order is placed with reference to the Customer's general terms and conditions.
3. The tagltron GmbH General Terms and Conditions for the Sale of Products and Services shall also be the basis for all future transactions between the Customer and tagltron GmbH.

II. Scope of Deliveries or Services

1. If the order has to be qualified as an offer pursuant to § 145 German Civil Code (*Bürgerliches Gesetzbuch*), tagltron GmbH may accept such an order within four (4) weeks. Oral ancillary agreements shall only be binding on tagltron GmbH to the extent that tagltron GmbH confirms such agreements in writing. Orders sent by Email shall only be executed by tagltron GmbH if this has been expressly agreed with tagltron GmbH.
2. tagltron GmbH 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 tagltron GmbH. All of the documents referred to in Section II Paragraph No. 1) 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 tagltron GmbH without waiting to be asked to do so once the order has been processed or has not been placed with tagltron GmbH. The Customer's documents may be provided to such third parties to whom tagltron GmbH has permissibly transferred deliveries or services.
3. With regard to deliveries of products, including but not limited to cards, chips and modules, tagltron GmbH 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.
4. Insofar as tagltron GmbH agrees to the cancellation of an order in writing in individual cases – without any other legal obligation being incurred hereby compensation in the amount of 20 % of the agreed price, plus any value-added tax, shall be due and payable.

This shall not apply, if tagltron GmbH proves that its loss was higher or the Customer



proves that the loss was lower in individual cases.

5. tagltron GmbH is entitled to use the services of subsidiaries and other third parties as subcontractors to perform tagltron GmbH's obligations by virtue of this contract.

III. Customer's Duties to Cooperate

1. The Customer shall provide tagltron GmbH with access to the information required for tagltron GmbH's activities at any time, and in particular, furnish documents and instruct the Customer's own employees to provide information. The Customer will inform tagltron GmbH of all circumstances relevant to the effective provision of deliveries or services without waiting to be asked to do so.

2. At tagltron GmbH's request, the Customer shall confirm in writing the correctness and completeness of the documents submitted and the information provided by the Customer.

3. If the Customer does not comply with its duty to cooperate despite a written warning notice and a deadline or if the Customer repeatedly and seriously infringes its contractual obligations, tagltron GmbH shall be entitled to terminate the contract without notice.

Apart from the assertion of this right of termination, tagltron GmbH 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, tagltron GmbH shall have a claim to the total remuneration minus any expenditures not incurred.

4. All of the duties of cooperation listed herein are essential primary duties of the Customer and are agreed as such.

IV. Offer, Price

Offers by tagltron GmbH are subject to change and are not binding, as a matter of principle, unless there is a concrete, customized and written application for the conclusion of a contract. To the extent that nothing else has been stipulated, tagltron GmbH shall be considered itself bound by a concrete, customized and written offer and by the prices contained therein for twenty-one (21) days as of the date of its preparation. With deliveries, prices shall apply ex works, or as of the distribution warehouse designated in our order confirmation for the respective goods, including packing, plus the statutory value added tax.

V. Organizational Guidelines

1. tagltron GmbH and the Customer shall each designate one contact person responsible for the project, who shall be able to give and accept binding declarations on behalf of that party. This contact person shall only be replaced by another person for good cause. At the same time, a deputy having the same powers is to be designated.

2. tagltron GmbH personnel who will be providing services are subject solely to tagltron GmbH's instructions and supervision. tagltron GmbH itself or the person designated by tagltron GmbH shall be the sole point of contact for the Customer with regard to all questions and demands.

VI. Retention of Title

1. tagltron GmbH retains title and ownership to the goods until all of tagltron GmbH'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 tagltron GmbH's receivables have been incorporated into a current account and a balance has been struck and accepted.

2. In the event that the Customer is in breach of contract, in particular, if the Customer is in default of payment, tagltron GmbH shall be entitled to take back the goods. tagltron GmbH's action of taking back the goods does not mean a withdrawal from the contract, unless tagltron GmbH had expressly declared this in writing. Seizure of the goods by tagltron GmbH shall always mean a withdrawal from the contract. After taking back the goods, tagltron GmbH 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.

3. 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.

4. In the event of seizures or other third party encroachments, the Customer must inform tagltron GmbH hereof in writing immediately, so that tagltron GmbH 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 tagltron GmbH for the court and outofcourt costs of a lawsuit pursuant to § 771 ZPO, the Customer shall be liable for the loss incurred by tagltron GmbH.

5. The Customer is entitled to resell the goods during the ordinary course of business; however, the Customer shall already assign to tagltron GmbH all of the receivables in the amount of the final amount of the bill (including the valueadded tax), which accrue to the Customer from such resale against the Customer's buyers or thirdparties 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. tagltron GmbH's authority to collect the receivable itself shall remain unaffected hereby. However, tagltron GmbH undertakes not to collect the receivable for as long as the Customer meets its payment obligations from the proceeds received, is not

in arrears of payment, and in particular, has not filed for the institution of insolvency or settlement proceedings and has not discontinued making payments. If this should prove to be the case, tagltron GmbH may demand that the Customer discloses to tagltron GmbH 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.

6. The processing or reworking of the goods by the Customer shall always be undertaken on behalf of tagltron GmbH. If the goods are processed together with other items belonging to tagltron GmbH, tagltron GmbH shall acquire coownership



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 tagltron GmbH, tagltron GmbH 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 tagltron GmbH proportionately. The customer shall preserve tagltron GmbH's sole ownership or co ownership

created in this manner.

7. tagltron GmbH agrees to release the collateral due tagltron GmbH on the Customer's demand to the extent that the realizable value of the collateral exceeds the receivables to be secured by more than 20 %; the selection of collateral to be released shall be incumbent upon tagltron GmbH.

VII. Terms of Payment

1. Payments are to be made to tagltron GmbH'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 tagltron GmbH is unconditionally credited with the payment shall determine compliance with the period for payment as well as with any other agreed terms of payment.

2. If the Customer does not comply with a notice to pay from tagltron GmbH which is sent after the expiration of any agreed time allowed for payment, the Customer shall be in default by virtue of the notice. If a calendar day has been contractually stipulated for the payment, the Customer shall be in default without having received a notice to pay, if the Customer does not pay on time. In the event of default, tagltron GmbH may insist on interest in the amount of 8 % over the base (lending) rate per annum. If tagltron GmbH is able to prove higher losses as a result of the default, tagltron GmbH shall be entitled to assert such higher losses. tagltron GmbH's statutory rights remain unaffected hereby.

3. The Customer may only offset such receivables which are uncontested or have been finally adjudged and may only assert rights of retention, insofar as they are based on the same contractual relationship.

4. If at any time the Customer seems to be unable or unwilling to meet the terms of payment, tagltron GmbH 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. Upon default in payment the contract price shall be increased by all costs related to collection and by reasonable attorney fees.

VIII. Deadline for Deliveries or Services

1. Any binding or nonbinding delivery dates agreed must be put in writing. 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, tagltron GmbH is entitled to demand compensation for any damage or loss incurred hereby.

2. 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.

3. Delays in delivery and service due to Acts of Gods. e. circumstances or incidents which cannot be prevented despite due care by the management – shall suspend

tagltron GmbH's contractual obligations for the duration of the disruption and the scope of its impact. Such circumstances or incidents entitle tagltron GmbH to postpone the delivery or the service by the duration of the impediment plus a suitable startup 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 not have any other claims.

4. If tagltron GmbH is in default with deliveries and/or services or if tagltron GmbH is responsible for not meeting an agreed delivery deadline, the Customer shall have a claim to compensation for delayed performance in the amount of 0.5 % for every full week of the default, but no more than 5 % of the value of the invoice for the deliveries and services affected by the default. Other claims on the part of the Customer are excluded, unless tagltron GmbH can be accused of deliberate intent or gross negligence.

5. Insofar as the Customer is in arrears with a liability visàvis tagltron GmbH, tagltron GmbH's delivery obligation shall rest.

6. If the Customer is in default in taking delivery, tagltron GmbH may store the goods at the Customer's risk and expense. As of the beginning of such storage, tagltron GmbH may charge a storage fee in the amount of 0.5 % of the invoice amount for every month of storage commenced, unless the actual additional costs to tagltron GmbH are lower.

7. tagltron GmbH is entitled to make partial deliveries and render partial services at any time.

IX. Passing of Risks

1. 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 tagltron GmbH's best discretion.

At the Customer's written request and expense, the shipment will be insured by tagltron GmbH against damage due to breakage, transport and fire.

2. 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

1. 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 tagltron GmbH in writing by no later than within two (2) weeks of receiving the goods; the assertion of warranty claims will be excluded otherwise. The timely dispatch of the notice of defects shall suffice to comply with this deadline. For invisible defects, the Customer undertakes to notify tagltron GmbH in writing after their discovery, but by no later than within the period of limitation referred to pursuant to Section X.5 below.

The full burden of proof for all of the prerequisites for claims, in particular for the defects themselves, the time when the defects are ascertained and the timeliness of the report shall rest with the Customer.

2. If the goods are defective, tagltron GmbH reserves the right to first attempt to rectify the defect, either by subsequent delivery or by reworking (subsequent performance), as tagltron GmbH chooses. In the event of subsequent performance, tagltron GmbH is obliged to bear all of the expenses for this purpose, in particular, transport, labor and material costs, to the extent that such costs are not increased because the goods have been brought to a place that is different from the original destination.

3. If subsequent performance is impossible or is seriously and finally rejected by tagltron GmbH overall, or if it would be unreasonable to expect the Customer to accept such remedy, the Customer shall be entitled to reduce the purchase price or to withdraw from the contract (rescission) at the Customer's option.

4. If the Customer chooses to withdraw from the contract due to a defect after a failed subsequent performance, the Customer shall not have any claim for damages apart from such withdrawal.

5. The period of limitation for claims based on defective goods shall be one (1) year as of the delivery of the goods.

6. 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.

7. If tagltron GmbH'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, tagltron GmbH shall not be liable for defects, unless the



Customer proves that the defects were not caused by or based on the aforementioned measures.

8. If the Customer receives defective assembly instructions, tagltron GmbH shall merely be obliged to deliver assembly instructions that are free from defects and this only in the event that the defect of the assembly instructions prevents proper assembly.

9. The Customer is not receiving any guaranties from tagltron GmbH in the legal meaning.

XI. Restrictions on Liability and Statutes of Limitation

1. In the event of slightly negligent breaches of duties, any liability on the part of tagltron GmbH that goes beyond the liability for defects pursuant to Section X. above shall be excluded without regard for the legal nature of the claim asserted. This shall apply even if and to the extent that there are slightly negligent breaches of duties on the part of tagltron GmbH's statutory representatives, vicarious agents or employees.

2. In cases involving breaches of the duties of protection and care of relationships under the law of obligations, i.e., breach of tagltron GmbH's obligation to be considerate of the Customer's rights, legal assets and interests, the statute of limitations shall be one (1) year as of the delivery of the goods to the Customer. If the goods have not been delivered, the statute of limitations shall begin with the end of the year in which the claim was incurred. Shorter statutes of limitations shall take precedence.

3. The exclusion of liability referred to in Paragraph 1 above and the reduction in the statute of limitations in Paragraph 2 above do not apply in the event of a breach of a guaranty or of an essential contractual obligation. In the event of a breach of a major contractual obligation, tagltron GmbH's liability is, however, limited to the replacement of the typical foreseeable damage or loss.

4. The provisions in the foregoing Paragraphs 1 to 3 do not apply to the Customer's claims related to product liability, and they do not apply in any case of loss of life, physical injury or health damage attributable to tagltron GmbH or for grossly negligent or deliberate breaches of duty by tagltron GmbH's statutory representatives, vicarious agents or employees.

XII. Exclusion of Subsequent Performance and Withdrawal from the Contract

1. If a deadline for performance set by the Customer has passed fruitlessly and if the Customer does not comply with the subsequent request by tagltron GmbH to inform tagltron GmbH as to whether the Customer wishes to retain its claims to performance or demands compensation for damages instead of performance within another period set by the tagltron GmbH for this purpose, the claim to performance will be excluded after the expiration of the suitable period associated with foregoing request for information.

2. Due to a breach of duty which is not based on a defect of the goods, the Customer may only withdraw from the contract if the circumstance justifying the withdrawal is based on a fault or negligence for which tagltron GmbH is responsible. In the event of an insignificant breach of duty, withdrawal from the contract is excluded.



3. Furthermore, withdrawal from the contract is excluded in cases in which the Customer would only be statutorily obliged to receive compensation instead of a refund for the goods.

XIII. Rights of Use

1. tagltron GmbH shall grant the Customer the nonexclusive, Non-transferable right not limited in time or place to the contract territory to the results of the deliveries and services provided by tagltron GmbH allowing the Customer to use such results for the contractually stipulated purpose. The Customer alone shall be liable to the proprietors of industrial property rights for any usage going beyond what was contractually stipulated and for any resulting breaches of Industrial property rights.

2. The use of deliveries and services provided by tagltron GmbH for enterprises not affiliated with the Customer shall require an explicit written agreement.

3. The Customer is obliged to notify tagltron GmbH immediately of any infringements of Industrial property rights by third parties and to provide the requisite documents and knowledge to take actions to prevent unlawful encroachments.

XIV. ThirdParty

Industrial Property Rights

1. tagltron GmbH shall defend the Customer at tagltron GmbH's own expense against all claims asserted against the Customer deriving from an alleged breach of German industrial property rights and copyrights due to the results from the deliveries or services provided by tagltron GmbH and shall reimburse the Customer for all costs and amounts of damages finally adjudicated, insofar as the Customer notifies tagltron GmbH without undue delay of such claims in writing, furnishes all of the requisite information and provides other reasonable support, and tagltron GmbH shall retain its sole right to decide whether or not to take action against the claim or to make a settlement.

2. In the event of a breach of industrial property rights or copyrights, tagltron GmbH shall, to the exclusion of further claims, but subject to the provisions in Section X. and Section XI. above, and at its own discretion and its own expense, modify or replace the results of its respective deliveries and services in such a way so that thirdparty industrial property rights or copyrights are no longer infringed.

3. tagltron GmbH is not liable for any breach of industrial property rights or copyrights, if such breaches are based on a modification of the results of the deliveries or services which were not executed or authorized by tagltron GmbH, either wholly or in part. Furthermore, tagltron GmbH is not liable for breaches of industrial property rights resulting from a use of the respective results of the services that was not contractually provided for.

XV. Secrecy and Data Protection

1. The Customer is obligated 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 tagltron GmbH are to be stored so that they can not be made accessible to unauthorized third parties. Confidential information and items owned by tagltron GmbH may only be disclosed to third parties with tagltron GmbH's



express consent. This duty of secrecy shall also apply after this contract has been completed for a period of two (2) years.

2. Unless otherwise expressly agreed in writing, the information submitted to tagltron GmbH in connection with orders shall not be deemed to be confidential.

3. tagltron GmbH is authorized, as part of the intended purpose of this business relationship, to process the personal data entrusted to tagltron GmbH or to have such data processed by third parties in compliance with the data protection provisions.

4. tagltron GmbH may include the Customer's name in its own list of references.

XVI. Legal Succession, Reorganization

1. Insofar as tagltron GmbH undergoes a reorganization through a change in its legal form while preserving its identity or through a change in its legal personality due to a merger, splitup or transfer of assets in accordance with the provisions of the German Reorganization Act (*Umwandlungsgesetz*), the contract concluded by and between tagltron GmbH and the Customer, together with all of the rights and duties pertaining thereto, shall be continued with the newly formed or acquiring legal entity.

2. Furthermore, tagltron GmbH shall be entitled to transfer the contracts concluded by and between tagltron GmbH and the Customer to a company affiliated with tagltron GmbH within the meaning of § 15 German Stock Corporation Act (*Aktiengesetz/AktG*), together with all of the rights and duties pertaining thereto without the Customer's consent.

3. Moreover, tagltron GmbH shall be entitled, to use the services of any company affiliated with tagltron GmbH within the meaning of § 15 AktG and other third parties as subcontractors to fulfil its obligations by virtue of this contract without the customer's consent. In this case too, tagltron GmbH is responsible for the contractually stipulated performance of the agreed obligations and visàvis the Customer, tagltron GmbH is also responsible for deploying enough qualified personnel to provide the services, to administer their claims to leave and to grant leave.

XVII. Forum and Venue, Applicable Law

1. Insofar as the Customer is a (general) merchant within the meaning of the German Commercial Code (*Handelsgesetzbuch*), 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 Paderborn.

2. 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 tagltron GmbH 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).

B.

**Special Supplementary Terms and Conditions
for Services provided by tagltron GmbH**



I. Projects

1. tagltron GmbH shall provide its services at its own discretion through its bodies, employees or subcontractors, i.e. the project team. tagltron GmbH may replace the project team either wholly or partly.
2. tagltron GmbH 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. Warranty

1. Telephonic information provided by tagltron GmbH shall only be binding to the extent that it is confirmed by tagltron GmbH in writing.
2. If tagltron GmbH has presented the results of its activities in writing, then only the written presentation shall prevail. Oral explanations and information by employees of tagltron GmbH shall always be nonbinding.

III. Verification

1. All the services will be properly rendered by suitably qualified personnel acting with reasonable care.
2. The Customer must support tagltron GmbH in the elimination of shortcomings of the services. tagltron GmbH will make every effort to eliminate such shortcomings within a suitable period of time.

IV. Termination of the Contract

1. The parties to this contract may terminate this 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. In the event of a termination by the Customer, tagltron GmbH's claim to remuneration in accordance with tagltron GmbH's current price list will remain preserved to the full extent; the whole remuneration shall be due for payment once the termination takes effect, without any offsetting of expenditures not incurred or other income obtained or obtainable.
2. Either party may terminate this contract without notice, insofar as the other party has committed a serious breach of contract and such breach of contract is suitable for triggering considerable disadvantages when regarded from a reasonable commercial point of view. If tagltron GmbH terminates the contract, then the provision in Section IV.1 above shall apply with respect to the remuneration.
3. These provisions shall not affect any claims for damages that the party terminating the contract might have.
4. Terminations must be made in writing to be valid.