

## 1. Scope of validity

1.1 These General Terms & Conditions (“GTCs”) shall, in addition to the quotation, the order confirmation and the relevant contract, govern the content and execution of the provision of services by LEGIC to the customer. The services to be performed by LEGIC under these GTCs and further specified in the quotation, the order confirmation or the contract, comprise all or any of the granting of a license in the intellectual property rights of LEGIC, the supply of components, the provision of support services and other agreed services.

1.2 These GTCs shall form an integral part of every quotation and order confirmation submitted by LEGIC and every contract concluded by LEGIC with a customer. These GTCs shall apply, unless the Parties have otherwise agreed in the contract. These GTCs shall apply to all subsequent business with the customer.

1.3 The parties acknowledge that any GTCs of the customer shall not apply in any event.

## 2. Definitions

The terms below shall have the following definitions:

*Product* shall mean the LEGIC identification system, which may consist of hardware and software, as well as services, and which enables the exchange of data between stationary or mobile read/write stations and mobile data carriers for the purpose of electronic identification, as well as any future technologies and services developed or licensed by LEGIC.

*Components* shall mean hardware such as but not limited to master tokens (GAMs), transponder chips, reader chips, system tools, evaluation and sales kits, etc. The scope of the hardware to be acquired by the customer shall be defined by the respective LEGIC range. The technical specification sheets on the individual models of components shall be transferred to the customer with the quotation or order confirmation. Any accompanying software, such as firmware, shall also fall within the definition of Components. A separate license agreement is not required.

*Intellectual property rights* shall mean all rights of LEGIC existing in connection with the product or its components (such as but not limited to copyrights, trademarks, patent rights and topography rights), know-how, rights licensed by third parties and all documentation supplied relating to those rights, regardless of its form (e.g. digital or paper form).

*Documentation* refers to all documents, papers, specifications, fact sheets, data, etc., containing information about the products (or components thereof), intellectual property rights or technology of LEGIC.

## 3. Scope of supply

3.1 The content and scope of the supply hereunder is conclusively defined in the quotation or the order confirmation issued by LEGIC, or in the contract. Other supplies by LEGIC shall only be due if they have been agreed in writing.

3.2 LEGIC shall grant the customer a non-exclusive, non-transferable and determinable right to use the licensed software, as well as any intellectual property rights associated with the product or services. The rights of use and restrictions on use shall also apply to the documentation. Any licensing, rental, passing on, transmission, assignment, making available or sublicensing, etc. of intellectual property rights of LEGIC or the granting of rights to third parties by the customer in any other form shall only be permitted with the prior written consent of LEGIC. Third parties shall include subsidiaries or affiliated companies of the customer in which the customer has capital or voting rights or shares any measure of common ownership.

3.3 The scope of the license hereunder is limited to the scope of the purpose of the supply set out in the contract. In case of doubt, this scope shall be restricted to internal utilization by the customer at its premises. Should the customer be a manufacturer, retailer or system integrator and this be clearly

indicated in the quotation, order confirmation or contract, then the customer shall be entitled to sublicense the right of use granted hereunder to its customers and/or to integrate the products into the clients' systems and/or to resell the products accordingly. Should the licensing of the rights of use be permitted in this sense, the customer shall ensure that the obligations and limitations contained in the contract and these GTCs are imposed upon its customers, and that no more rights are granted to the customer's clients than the customer has received from LEGIC hereunder. There shall be no transfer of ownership of intellectual property rights whatsoever.

3.4 The customer shall have the right to acquire components from LEGIC and use them in accordance with the provisions of the contract and these GTCs. Any passing on or resale of the components shall only be permitted subject to prior written approval by LEGIC. The customer's right to purchase components shall require in any case the conclusion of a contract between the customer and LEGIC.

3.5 Unless the parties state otherwise in the contract, the customer shall receive the non-exclusive and non-transferable right, which may be revoked by LEGIC at any time, to use the trademark LEGIC® (logo) within the scope of the contract and the provisions of these GTCs. The customer shall ensure that its devices and products which are original LEGIC® products or contain original LEGIC® components are marked with the LEGIC® trademark in a clearly visible way. Moreover, the customer is both entitled and obliged to use the trademark in its own documentation (advertising, information, etc.) should products of LEGIC or any cooperation with LEGIC be mentioned therein. Any other use of the LEGIC® trademark (or any other logos, character fonts, word marks or device marks of LEGIC) shall require the prior written consent of LEGIC.

3.6 If the customer is contractually entitled to any support, services, training and seminar participation, the reciprocal rights and obligations shall be governed by the relevant contract and the provisions of these GTCs.

## 4. Proprietary rights

4.1 The customer acknowledges and confirms that the proprietary rights in the intellectual property rights and know-how remain with LEGIC (or third parties) and that the customer does not acquire any ownership in such rights. The right to use, exploit, market and any other rights, shall exclusively remain the property of LEGIC, which may inter alia enhance, modify, license or sell such rights.

4.2 The customer acknowledges and confirms that all trademarks of LEGIC (such as, for example, LEGIC® and combinations therewith) are the property of LEGIC. The customer may not modify, remove, adapt, sublicense, assign or transfer the trademarks, or make them otherwise accessible to third parties. The combination of the trademark LEGIC® (or components thereof) with names or trademarks of the customer shall require the prior written consent of LEGIC. If the customer detects any infringement or misuse of the trademarks, or if a third-party lays claim to them, the customer shall immediately provide LEGIC with a notice in writing.

4.3 LEGIC reserves the right to refuse or deny use of the trademarks for certain countries and/or certain products without any liabilities, in whole or in part, if any legal difficulties should arise or are expected to arise there.

4.4 It is incumbent upon LEGIC alone to take judicial action against any trademark infringements and defend the trademarks' integrity. If feasible, LEGIC shall inform the customer of its decision and shall discuss the further course of action with the customer. In return, the customer shall make every effort to support LEGIC in any legal proceedings, at no cost to LEGIC. Any revocation or restriction of the rights of use in the trademarks shall not have any liability or indemnity consequences for LEGIC.

## 5. Remuneration

5.1 The customer shall pay LEGIC the remuneration agreed in the quotation, order confirmation or contract. The license fees may be one-time or recurring and fixed or variable (e.g. depending on the number of end users). The prices for products, components and services are indicated in the relevant price list of LEGIC. Unless expressly agreed otherwise, all prices are net prices in Swiss Francs (CHF), excluding value added tax.

5.2 Should the parties have agreed a one-time license fee, LEGIC shall invoice the customer immediately after conclusion of the contract. Recurring license fees shall be payable annually in advance. There shall be no right to reimbursement (not even on a *pro rata temporis* basis) to the customer. The purchase price for the delivery of components shall be invoiced immediately after shipment. All shipments shall be carried out *ex works* (Incoterms 2010). Risk in the components shall pass to the customer upon the coming into force of the contract.

5.3 Unless the parties have agreed otherwise, payment is to be made net within 30 days of the invoice date. The customer shall not be entitled to withhold or deduct or set-off any sums from or against LEGIC's invoices. Default interest of 5% p.a. shall be due on any unpaid sums or on sums not paid in full. LEGIC shall be authorized to halt delivery of licenses, products, components or services to the customer without notice and without compensation until all claims are settled in full. In this event, LEGIC shall bear no liability for failure to adhere to any deadlines for delivery or fulfillment which have been exceeded. The customer shall bear all costs for the collection of any outstanding claims. LEGIC shall be entitled, at any time, to require an advance payment or security deposit from the customer.

5.4 LEGIC may adjust the prices agreed with the customer annually, in accordance with the National Consumer Price Index. The adjustment shall be based on the respective index level upon conclusion of the contract. Any license fees already paid shall not be included in the adjustment. The customer acknowledges and accepts that the prices for components may be adapted from time to time to market conditions and will be set out in LEGIC's price lists. In any event, LEGIC reserves the right to make price adjustments due to subsequent changes in contractual services or as a result of any changes to statutory provisions (e.g. value added tax).

5.5 The customer shall bear all fees, duties and taxes payable under public law which are levied by the customer on the license fees or prices in accordance with the applicable laws. The customer shall be responsible for paying these fees, duties and taxes in due time or reimbursing LEGIC in full, should LEGIC not be exempted from paying them.

5.6 Ownership in any components delivered by LEGIC to customers shall only pass to the customer upon payment being made in full. As long as the agreed remuneration is not paid in full, LEGIC shall be entitled to reserve title to ownership at the customer's expense. In this respect, the customer shall assist LEGIC without any charge or delay.

## 6. Delivery dates and delay

6.1 The parties shall indicate the delivery dates and schedule for the individual services in the contract or in the quotation or order confirmation. Whilst the Parties shall make every effort to achieve the delivery dates and schedule, time for delivery shall not be of the essence of the contract. Partial deliveries shall be permitted unless the parties have expressly excluded these in the contract.

6.2 Unless stated otherwise in writing, if LEGIC is late in fulfilling its contractual obligations it shall be in delay only after being reminded thereof by the customer in writing and being given an adequate grace period for performance. In case of delay, LEGIC shall only be obligated to deliver the specific deliverables or to provide the specific services in question but shall not be liable for any damages incurred through delay.

## 7. Warranty and liability for licenses

7.1 LEGIC confirms that it possesses the necessary intellectual property and distribution rights and will maintain them as long as possible. LEGIC cannot guarantee that the intellectual property rights have been finally registered or exist on a permanent basis. The development and maintenance of products, components and intellectual property rights shall be at the sole discretion of LEGIC.

7.2 Should the customer be sued for infringement of acknowledged patents or copyrights by a third party and be significantly restricted in exercising the rights of use granted in these GTCs, the customer shall be obliged to notify LEGIC in writing immediately and involve LEGIC in the proceedings by means of third-party notices or analogous procedures of applicable law. The customer may at its own discretion decide to transfer the court proceedings to LEGIC (at LEGIC's own cost). Both parties shall be obliged to provide each other with any information and documents that may serve the defense of such claim or suit immediately and without charge.

7.3 If despite diligence in its actions and written notification and issuing a third-party notice to LEGIC, the customer loses substantially in court without recourse to appeal, LEGIC may at its own discretion and without prejudice contribute to the costs. The parties shall negotiate whether a payment should be made to the customer and, if so, in what amount on a case by case basis. The customer shall have no claim to compensation for costs or damages, particularly if the customer acknowledges the third-party claims in full or in part without the prior written consent of LEGIC, or does not duly observe its duty to mitigate damages.

7.4 Should the customer be barred in court from using the rights of use contractually granted to the customer, LEGIC shall, at its own cost and discretion, grant the customer a new right of use or replace it or change it in such a way that, without any substantial restriction, it no longer infringes the right of the third party. Should an economically reasonable solution for LEGIC not be feasible or involve undue time or effort, LEGIC may revoke or the customer may terminate the license. Both parties shall refrain from making any claims arising from the revocation or termination of the license.

7.5 Should an intellectual property right become invalid (e.g. over time), this shall not give the customer either a right to reclaim any license fees or the right to claim damages or any other claims against LEGIC.

7.6 Any other warranties and liabilities (whether express or implied) are excluded to the extent permitted by law. In particular, LEGIC shall not be liable for the accuracy, completeness, topicality or usability of the product, license, know-how, services or consultancy provided. Information contained in any documentation issued by LEGIC shall not constitute a warranty. All statutory warranty rights are waived. Subject to the provisions of clause 9.3, LEGIC shall not assume any liability whatsoever for the use and operation of the products on the systems of the customer (or the customer's clients). The provisions of clause 8.4 below are directly applicable to this section too.

## 8. Warranty and liability for components

8.1 The customer shall inspect every delivery, or have it inspected, immediately after receipt, for any damage or defects. If a complete inspection of all components or functionalities is not possible or customary, the customer shall ensure that a sufficient number of samples is inspected. If LEGIC does not receive a written and evidenced notice of defects from the customer within 10 days of delivery of the components, the entire delivery shall be deemed free of defects.

8.2 The warranty period for components shall be six (6) months from delivery by LEGIC. The warranty shall be limited to reproducible and demonstrable defects in function. For engineering samples or any other components made available for test purposes, all warranties are excluded.

8.3 If a functional defect occurs during the warranty period and LEGIC is informed immediately in writing and the customer provides written evidence and the defect is reproducible and demonstrable, LEGIC shall supply a replacement as soon as possible. No other rights in case of defects shall apply. Returned components shall become the property of LEGIC. LEGIC shall bear the costs for the delivery of the replacement component (packaging and shipping). The customer shall bear the costs for the return of defective components to LEGIC.

8.4 The above warranty shall become null and void if one of the following conditions applies:

- the customer fails to immediately provide evidenced notification of defects to LEGIC;
- the storage, packing, transport, etc. of parts by the customer or a third party assigned by the customer have not been carried out properly;
- the components are not used according to their specifications and/or as intended and/or not with the necessary degree of know-how and diligence (e.g. improper use);
- the components have been changed, enhanced or modified by a party other than LEGIC;
- the customer or a third party undertakes unauthorized repair of the components;
- the system environment of the customer (deployed hardware or software) possesses defects or errors that compromise or impede the functioning of the components;
- the customer or a third party modifies, expands, adjusts, decompiles, decrypts or in some other way accesses the source code of the software or any accompanying software (e.g. firmware). The warranty shall remain intact if and to the extent that the customer can demonstrate that mandatory law permits the actions in question and that these have caused no functional defects or other problems.
- the customer fails to undertake the damage mitigation measures expressly ordered by LEGIC or undertakes those measures insufficiently;
- the customer does not give LEGIC the opportunity to repair the defect.

8.5 Any other warranties and liabilities (whether express or implied) shall be excluded to the extent permitted by law. In particular, LEGIC shall not be liable for the accuracy, completeness, topicality or usability of its products or components thereof or of services and consultancy rendered by LEGIC. Information contained in any documentation issued by LEGIC shall not constitute a warranty. All statutory warranty rights are waived. Subject to the provisions of clause 9.3, LEGIC shall not assume any liability whatsoever for the use and operation of products on the systems of the customer (or the customer's clients). The customer acknowledges and accepts that all rights and warranties explicitly granted in these GTCs will cease upon the expiry of the periods or deadlines mentioned in this section 8.

## 9. LIMITATION OF LIABILITY

9.1 LEGIC SHALL NOT BE LIABLE TO THE CUSTOMER FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL LOSS OR DAMAGE, LOSS OF DATA OR OTHER EQUIPMENT OR PROPERTY OR INCURRING OF LIABILITY FOR LOSS OR DAMAGE OF ANY NATURE WHATSOEVER SUFFERED BY THIRD PARTIES (INCLUDING IN EACH CASE INCIDENTAL AND PUNITIVE DAMAGES) OR ANY LOSS OF ACTUAL OR ANTICIPATED PROFIT, INTEREST, REVENUE, ANTICIPATED SAVINGS OR BUSINESS TO GOODWILL.

9.2 LEGIC'S TOTAL LIABILITY IN CONTRACT, TORT (INCLUDING NEGLIGENCE) AND MISREPRESENTATION OR OTHERWISE IN RELATION TO THESE GTC'S SHALL BE LIMITED TO THE AGGREGATED AMOUNTS PAID BY CUSTOMER FOR PRODUCTS (EXCLUDING EXPENSES) DURING THE PREVIOUS 12 MONTHS.

9.3 NOTHING IN THESE GTC'S SHALL LIMIT OR EXCLUDE THE LIABILITY OF EITHER PARTY FOR; DEATH OR PERSONAL INJURY RESULTING FROM NEGLIGENCE; OR FRAUD OR FRAUDULENT MISREPRESENTATION; OR UNLAWFUL INTENT OR GROSS NEGLIGENCE.

## 10. Confidentiality

10.1 Both parties to the contract shall treat all information and documentation they share during contract negotiations and during the term of the contract as strictly confidential. They shall also ensure that unauthorized third parties have neither direct nor indirect access to this information and documentation.

10.2 The customer undertakes to store all information and documentation issued by LEGIC – except for unencrypted electronic messages – in such a way that no unauthorized third parties may become aware of it.

10.3 The information and documentation shall be accessible only to those employees and institutions of the customer who absolutely need it to perform their task related to those materials and only to the extent absolutely needed by each individual employee. The customer is responsible that these employees keep the information and documentation made available to them strictly confidential.

10.4 The customer undertakes not to make any copies of LEGIC's information and documentation without LEGIC's prior written consent, and only to issue as many copies as permitted, and to give those copies only to persons belonging to one of its companies, corporations or institutions. Should it become necessary for a third party (e.g. auditors, lawyers, trustees) to become aware of this information and documentation, then each of them needs to sign a personal confidentiality agreement.

10.5 With respect to each of the contracting parties, confidential information does not include information that:

- was already known to the other party before it was disclosed by the protected party;
- is or becomes generally known, and the publication of which has been previously authorized in writing by the other party;
- has been lawfully made available to the other party by a third party;
- has been developed by the other party to the contract itself, without use of or reference to the confidential information of the protected party.

Any party that invokes clause 10.5 for one or more reasons must unequivocally demonstrate written evidence of the existence of the claimed facts.

10.6 Any advertisements or publications concerning specific deliverables or services arising out of or in connection with the relevant contract or these GTCs shall require the prior written consent of LEGIC. LEGIC shall, however, be authorized to place the name, logo and URL of the customer on its homepage and to add its name to the reference customer list.

10.7 In case of doubt, all facts and information pertaining to LEGIC are to be treated confidentially. The obligation to maintain secrecy shall extend to facts and information existing prior to the contract being signed and the obligation of confidentiality shall survive termination of the contract. Statutory obligations to provide evidence are reserved in so far as disclosure is required by means of a legally valid judgment or injunction. In such cases, the customer shall inform LEGIC in writing as soon as practicable.

10.8 Following termination of the contract, the customer shall return or hand over to LEGIC all documentation belonging to LEGIC and any copies made thereof, without delay and in its entirety. Any confidential information stored on electronic media belonging to the customer must be erased in its entirety. Statutory obligations (e.g. record-keeping requirements) are reserved. The customer shall confirm to LEGIC in writing that the confidential information has been erased.

**11. Duration of contract and termination**

11.1 After any fixed term agreed upon in the contract expires, each party may terminate the contract by providing a notice in writing of six months to the other party, effective as at the end of a calendar year.

11.2 If LEGIC no longer manufactures or distributes the product or part thereof, it shall notify the customer in due form 6 (six) months in advance. After this period expires, the customer shall receive a perpetual and royalty free right to use the products previously acquired from LEGIC. Any warranties or liabilities of LEGIC shall expire in full at this point in time, as permitted by applicable law.

11.3 Subject to clause 11.2, LEGIC shall ensure customer's access to reasonable product information and documentation for a period of at least 5 (five) years. Confidentiality pursuant to clause 10 of these GTCs shall remain unaffected thereby.

11.4 The parties reserve the right to terminate the contract immediately upon prior written notice for serious breach, even if the parties should have agreed upon a fixed duration of the contract. Such serious breach may be (not exhaustive):

- the customer directly or indirectly infringes or questions the proprietary rights or intellectual property rights of LEGIC;
- the customer (or one of the customer's clients) exceeds the rights of use granted to the customer (or the customer's clients) or ignores the restrictions on use imposed;
- the customer violates the confidentiality as set out in clause 10 above;
- the customer violates essential contractual obligations, in particular if the customer repeatedly fails to fulfill its payment obligations or fulfils them improperly;
- the customer is in breach of any contractual provision and such breach is not cured within thirty (30) days after written notice thereof is received by the breaching party;
- there is a change of control of the customer or any transfer of any substantial part of business. This shall also apply in case of a merger, joint venture, cooperation agreement, etc. between the customer and a potential competitor of LEGIC or a situation similar thereto, or one that is in conflict with the justified interests of LEGIC. In all cases, the customer shall remain liable towards LEGIC for fully complying with all contractual provisions;
- one of the parties files for bankruptcy, is liquidated or becomes insolvent.

11.5 Upon termination or expiration of the contract, the customer shall not be entitled to procure or exercise any future right to use the product, the intellectual property rights or any associated rights. Products (or part thereof) duly acquired by the customer as at the date of termination or expiration need not be returned but its use shall be kept in full compliance with the agreed terms and limitations. Any extension of the rights granted in these GTCs and the respective contract with regard to person, content or scope is strictly prohibited. Moreover, upon termination or expiration of the contract, the customer shall have no right to attend trainings, get access to documentation, order support and any other services of LEGIC.

11.6 Upon termination or expiration of the contract, the customer shall immediately return to LEGIC all documentation concerning the subject of the contract or LEGIC, including any which the customer has created itself, as well as any copies thereof, in full. Confidential information stored on electronic storage media by the customer must be completely erased. Mandatory statutory obligations are reserved (e.g. record-keeping requirements). The customer shall confirm to LEGIC in writing that confidential information has been erased.

**12. General provisions**

12.1 **Export:** The customer warrants and represents that he will adhere to all applicable export rules and laws of the relevant country, especially those of the United States. The customer shall not sell, assign, export or disclose any products or components thereof to recipients abroad, in whole or in part, without prior written approval from the responsible authorities. The provisions of these GTCs are reserved. If the fulfillment of a contractual obligation of LEGIC is dependent upon the validity of an import or export permit, and if such a permit is not provided by the responsible authorities of the state in question, then LEGIC shall not be in delay and shall not be liable for any damages.

12.2 **Place of performance:** If the parties have not expressly agreed on a place of performance or delivery in writing, then the place of performance or delivery for all kind of deliverables or services shall be the registered office of LEGIC recorded in the Swiss commercial register.

12.3 **Transfer and assignment of the contract:** The contract or any individual rights or obligations arising there from (or from these GTCs) may only be transferred or assigned to a third party with legal validity with the prior written consent of LEGIC.

12.4 **Written form:** Any amendments or changes to contracts or their provisions and these GTCs shall be made in writing and duly signed by both parties. These provisions shall also apply to any changes to the requirement for the written form. Any prior oral and written agreements shall not be legally binding.

12.5 **Severability clause:** Should any specific provisions of a contract or these GTCs become void, ineffective or unenforceable for any reason, the validity of the remaining sections shall not be affected. In such a case, the parties shall agree upon a valid provision achieving the original purpose as far as possible.

12.6 **Force majeure:** If either party is unable to fulfill the provisions of this contracts or these GTC's in full or in part due to force majeure reason, it shall immediately notify the other party in writing. The affected party shall then neither be in delay nor in breach of contract. Payment obligations are not subject to force majeure reason.

12.7 **No partnership:** Neither party wants or intends that the contract or these GTCs be interpreted in such a way that any partnership arise between the parties.

12.8 **No waiver:** Should one party fail to notify the other of non-compliance or infringement of contractual provisions or of any provisions of these GTCs when it occurs, the other party shall not derive there from any rights in regard to past or future non-compliance or deprive the other party of the right to the contract being adhered to after the fact. Any waiver of contractual provisions shall always require to be agreed upon in writing.

12.9 **Applicable law:** The business relationship between the customer and LEGIC shall be governed by and construed exclusively in accordance with the laws of Switzerland. The United Nations Convention on Contracts for the International Sale of Goods (from 11 April 1980) (UN Convention) shall be excluded from application hereto.

12.10 **Place of jurisdiction:** All disputes arising out of or in connection with the contractual relationship between the parties shall be exclusively settled by the commercial courts of Zurich.