

WHEN ORDERING RFID READER MODULE PRODUCTS FROM NORDIC ID OR WHEN SELLING OR USING SUCH PRODUCTS YOU AGREE TO THESE NORDIC ID TERMS AND CONDITIONS ("Terms").

## 1.. SCOPE AND DEFINITIONS

1.1 These Terms shall apply to sales of Nordic ID RFID Reader Module product, consisting of hardware and software ("Products") by Nordic ID to any buyer entity or company ("Buyer") unless otherwise agreed in a duly signed written agreement. No services are included in the offers, proposals or deliveries unless explicitly agreed in writing. "Nordic ID" means Nordic ID Oy, a company duly organized under the laws of Finland.

1.2 Any term or condition in any order or other document furnished by Buyer at any time, which is inconsistent with or in addition to these Terms is hereby expressly rejected and Nordic ID's acceptance of any order is made in reliance on Buyer's consent to these Terms.

1.3 The following definitions shall apply:

**"Bundled Product"** means the final reader product consisting of combination of the Product with other products forming an integrated system adding significant value to the Product

**"Intellectual Property Rights"** means patents, petty patents, utility models, designs (whether or not capable of registration), design patents, inventions, database rights, chip topography rights, protection of works of authorship or expression, including copyrights and future copyright, domain names, trademarks, trade names and any other industrial and intellectual property rights, whether or not specifically recognized or perfected under applicable laws and whether registered or not and applications, divisions, continuations, renewals, re-exams and reissues for any of the aforementioned respectively as well as any trade secrets, and the rights to prosecute, enforce and obtain remedies.

## 2. OFFER AND SALES CONTRACT

2.1 The validity of the Nordic ID offer is stated in the offer. If no validity is stated in such offer, the offer is valid for thirty (30) days from the date of the offer. Buyer agrees to maintain the confidentiality of the information contained in the offer and shall use it only for the purpose of determining whether to order Products.

2.2 Buyer agrees to submit orders for Products in accordance with the separately defined ordering and forecasting procedure. All orders are binding upon Buyer for thirty (30) days, during which period Nordic ID may issue a written final order confirmation. Buyer agrees not to reschedule or cancel orders. An acknowledgement of order receipt from Nordic ID is not an order confirmation. An individual sales contract shall be deemed concluded once Nordic ID confirms Buyer's order in writing.

## 3. PURCHASE PRICE

3.1 The purchase price for the Products shall be the price agreed upon by the parties in writing. If no price has been agreed upon, the purchase price shall be the current list price of Nordic ID. Prices are subject to changes without prior notice. Price change is applicable to orders confirmed after the effective date of the price change.

3.2 Possible discounts agreed in writing will be deducted from the list price valid at the time of the order confirmation.

3.3 All prices are net prices and indicated in euros unless otherwise stated in Nordic ID offer or order confirmation. The prices do not include any special services or taxes, duties, charges, or fees, which shall all be borne and paid by Buyer. If it is established, that the correction of the defect, deficiency or error reported by Buyer is not covered by warranty set out in these Terms, Nordic ID shall be entitled to charge for diagnosis and location of the defect, deficiency, or error in accordance with the then current price list for service.

## 4. PAYMENT TERMS

4.1 Nordic ID shall issue an invoice upon each shipment of Product(s). If not otherwise agreed in writing, payment shall be made in advance before the shipment. A payment is affected when received to the bank account of Nordic ID. Buyer is not entitled to deduct any amounts due and payable to Nordic ID whether by set-off or otherwise without the prior written permission of Nordic ID. Title and ownership to hardware shall pass to Buyer upon payment of all outstanding invoices by Buyer.

4.2 The late payment interest is annual interest of five (5) per cent over the Euro Interbank Offered Rate (EURIBOR) for Euro deposits offered for a one-month period as quoted by Financial Times on the date of the due date, which interest shall accrue on a daily basis from the date payment becomes overdue until Nordic ID receives payment of the overdue amount.

4.3 Buyer shall furnish financial and credit data reasonably required by Nordic ID. Nordic ID may set a credit limit for Buyer at its sole discretion. In case a confirmed order together with previous unpaid deliveries would exceed the credit limit, the Products will not be delivered before the exceeding amount is paid in advance or Nordic ID has received an irrevocable letter of credit corresponding to the value of delivery or some other similar arrangement has been set in place. If reasonably requested by Nordic ID, Buyer agrees to open an irrevocable bank guarantee and/or arrange other security in the form acceptable to Nordic ID.

## 5. DELIVERY

5.1 Lead times for the Products shall be as communicated by Nordic ID from time to time. Nordic ID may set minimum order quantities. Delivery term is FCA Nordic ID's facility as designated by Nordic ID (Incoterms 2010) unless otherwise stated in the Nordic ID order confirmation. In the absence of a specific agreement, Nordic ID will select the carrier, but by doing so, will not thereby assume any liability in connection with the shipment

5.2 Delivery times confirmed by Nordic ID are estimates only and Nordic ID will not be liable for any loss or damage incurred by Buyer due to Nordic ID's failure to meet the delivery time(s).

## 6. INSPECTION OF SHIPMENTS

6.1 Buyer will examine and inspect the Products on delivery and Buyer's acceptance of delivery will be deemed to occur on the expiry of ten (10) calendar days after delivery. Buyer will promptly and properly report to Nordic ID any discrepancies Buyer discovers and will follow any instructions given by Nordic ID. Any return of Product(s) is subject to Nordic ID's prior written acceptance.

## 7. INTELLECTUAL PROPERTY RIGHTS, LICENSE AND BRANDING

7.1 The Intellectual Property Rights in and to the Products, are exclusively owned by Nordic ID.

7.2 The software for the Product(s) shall only be used as an integrated part of the Products integrated into Bundled Products. Buyer shall not to sell, distribute, and make available to a third party or otherwise use the software as a stand-alone product. Furthermore, Buyer shall not remove any legal notices, proprietary designations or author attributions from the Product or any accompanying material. Nordic ID's separate license terms for software (if any) shall apply in addition and prevail over this Clause 7.3.

7.3 The Parties agree to discuss in good faith the placement of "Powered by Nordic ID" label on Bundled Products, documentation and sales and marketing materials for the Bundled Products. Any use of Nordic ID trademarks shall be in conformance with each time applicable Nordic ID guidelines. Nordic ID shall have the right to name Buyer and Bundled Product in any material describing or promoting Nordic ID or its products.

## 8. USE RESTRICTIONS

8.1 Buyer shall not copy, alter, reverse engineer, disassemble, decompile or translate any Products.

8.2 Buyer acknowledges that each Product and any related software and technology, including technical information supplied by Nordic ID or contained in documents (collectively "Items") may be subject to export, re-export or import restrictions. Buyer shall at all times comply with all applicable export laws, rules and regulations. Buyer shall cooperate fully with Nordic ID in any official or unofficial audit or inspection related to applicable export or import control laws or regulations and shall indemnify, defend and hold Nordic ID and its affiliates harmless from any violation of this clause by Buyer or its employees, consultants, agents or customers.

8.3 Products supplied by Nordic ID are not 100% fault tolerant and are not designed, manufactured, or intended for use or resale as online control equipment in hazardous environments requiring fail-safe performance, such as operation of nuclear facilities, aircraft navigation or communication systems, aircraft traffic control, direct life support and monitoring machines & applications, weapon systems, or other environments and applications in which the failure of operation(s) could lead directly to death, personal injury, or severe physical or environmental damage. Nordic ID explicitly disclaims all sale, transfer and use of Products to

such environments and applications. Buyer shall indemnify and hold Nordic ID harmless from any liability related to sale, transfer and use of Products in mentioned environments and applications.

## 9. WARRANTY

9.1 Nordic ID warrants that the Products, excluding software and software components, are at the time of delivery free from defects in materials and workmanship, provided the Products remain unmodified and are installed and operated according to the instructions provided by Nordic ID and under normal and proper conditions. Warranty period for Products is twelve (12) months from the date of delivery of Products.

9.2 Nordic ID undertakes to correct at no cost and without undue delay all such errors in the software as are reported in writing by the Buyer during the warranty period of ninety (90) days from the date of delivery of Products. The correction of an error may also be done by providing a workaround or by providing the Buyer with written instructions on how to bypass the error, if this can be done without

causing additional costs or substantial inconvenience. The warranty shall be valid only if the software is used in the agreed operating environment or in another operating environment specified by Nordic ID.

9.3 Buyer shall be responsible for the shipment of defective Products to Nordic ID or its authorized service supplier and for all costs and risks associated with this transportation. The return shipment to Buyer's centralized depot shall be at Nordic ID's expense unless Nordic ID determines that there is no defect in the Product or where Nordic ID determines that the Product is not eligible for warranty.

9.4 Nordic ID's obligations under this warranty are limited to cover only to replacement of defective Products. Warranty for the Replacement Product will be the remainder of the original warranty period or three (3) months from the date of delivery of the replacement Product, whichever is longer.

9.5 The above warranty provisions shall not apply to any Product, a) which has been repaired, tampered with, altered or modified, except by Nordic ID's authorized service personnel; b) in which the defects or damage result from normal wear and tear, misuse, negligence, improper installation, storage, water or other liquids, use of software, parts or accessories not approved or supplied by Nordic ID; c) which has been subjected to unusual physical or electrical stress, abuse, or accident, or forces or exposure beyond normal use within the specified operational and environmental parameters; or d) which is used in a manner not permitted by Clause 8.

9.6 THE WARRANTY PROVIDED AFORE IN THIS CLAUSE 9 IS BUYER'S SOLE AND EXCLUSIVE WARRANTY AND REMEDY IN CASE OF PRODUCT DEFECT(S) AND/OR SOFTWARE ERRORS AND REPLACES ALL OTHER WARRANTIES AND CONDITIONS, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OR CONDITIONS FOR MERCHANTABILITY, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE. THE WARRANTY WILL NOT BE EXTENDED, AND NO LIABILITY WILL ARISE, DUE TO TECHNICAL ADVICE OR ASSISTANCE, QUALIFICATION OR TESTING DATA OR ANY OTHER SERVICE NORDIC ID MAY PROVIDE IN CONNECTION WITH BUYER'S PURCHASE. NORDIC ID SHALL NOT BE LIABLE FOR ANY DAMAGES SUSTAINED BY BUYER ARISING FROM DELAY IN THE REPLACEMENT OF PRODUCTS.

## 10. INTELLECTUAL PROPERTY RIGHTS INDEMNITY

10.1 Nordic ID agrees to defend at its cost and expense any claim or action brought by a third party against Buyer ("IP Claim") alleging that the Product directly infringes a valid patent issued on or prior the delivery of Product, copyright or trademark or misappropriates a trade secret, provided that: i) Nordic ID is notified of such IP Claim promptly and in writing; ii) Nordic ID will be given sole control over the defense and settlement of such IP Claim; and iii) Buyer cooperates with Nordic ID in its defense and settlement and furnishes to Nordic ID all related evidence in or under Buyer's control.

10.2 Nordic ID shall have no obligations under this clause 10 with respect to any IP Claim arising out of or relating to i) Buyer's use and distribution of Products as integrated into the Bundled Products, ii) the combination, operation or use of the Products with equipment, data, or software not furnished by Nordic ID, iii) modifications to the Products not made by Nordic ID or modifications made by Nordic ID mandated by Buyer, iv) a version of the Product other than the currently released version where such issue was resolved, or v) functionalities or features implementing ISO protocol, EPC protocol, any de facto standard or any other standards established by international or industry organizations or standard – setting bodies.

10.3 If IP Claim has occurred or in Nordic ID's opinion is likely to occur, Buyer shall permit Nordic ID at Nordic ID's option to i) procure the right to continue using Products; ii) replace or modify Products so that they become non-infringing; or iii) accept the return of infringing Products and refund the remaining amortized value with the amortized life being three (3) years from the date of delivery, upon return of infringing Products.

10.4 THE FOREGOING ARE NORDIC ID'S SOLE AND EXCLUSIVE OBLIGATIONS AND BUYER'S SOLE AND EXCLUSIVE REMEDIES, WITH RESPECT TO INFRINGEMENT OR MISAPPROPRIATION OF INTELLECTUAL PROPERTY RIGHTS ATTRIBUTABLE TO PRODUCTS

10.5 Buyer represents and warrants that it has the necessary rights to make, have made, use, market, sell, import, export and distribute the Bundled Products. Nordic ID's indemnity shall be void ab initio if this warranty is breached. Buyer shall defend

any claim brought against Nordic ID and Buyer shall pay any resulting final judgment awarded or settlements entered into which arise from or are connected with Buyer's breach of these Terms, Bundled Products or acts or omissions in using, manufacturing, distributing, importing, exporting, selling or otherwise marketing the Bundled Products (excluding IP Claims that Nordic ID is required to defend Buyer according to Clause 10.1); provided that Nordic ID: i) gives Buyer prompt notice of such claim, ii) gives sole control over the defense or settlement, and iii) co-operates fully with Buyer in the defense or settlement, subject to reimbursement of its reasonable out of pocket costs. For clarity, the Deliverables are not licensed under Nordic ID's license agreement with Round Rock Research LLP, and consequently Buyer shall be liable and responsible for all claims or requests made by Round Rock Research LLP in relation to the Deliverables or Bundled Products made, imported, sold or used in the USA.

## 11. LIMITATIONS OF LIABILITY

11.1 NOTHING IN THESE TERMS EXCLUDES EITHER PARTY'S LIABILITY FOR DEATH OR

PERSONAL INJURY RESULTING FROM NEGLIGENCE, FRAUD OR WILLFUL MISCONDUCT, TO PAY SUMS PROPERLY DUE AND OWING TO THE OTHER PARTY IN THE COURSE OF NORMAL PERFORMANCE OF THESE TERMS OR FOR ANY LIABILITY WHICH CANNOT BE EXCLUDED OR LIMITED UNDER APPLICABLE LAW.

11.2 SUBJECT TO CLAUSE 11.1, NORDIC ID DOES NOT ACCEPT ANY LIABILITY ARISING FROM OR IN CONNECTION WITH THE SALE OF PRODUCTS TO BUYER (WHETHER SUCH LIABILITY ARISES DUE TO NEGLIGENCE, BREACH OF CONTRACT, MISREPRESENTATION OR FOR ANY OTHER REASON) FOR ANY: (I) LOSS OF PROFITS; (II) LOSS OF SALES; (III) LOSS OF TURNOVER; (IV) LOSS OF OR DAMAGE TO BUSINESS; (V) LOSS OF OR DAMAGE TO REPUTATION; (VI) LOSS OF CONTRACTS; (VII) LOSS OF CUSTOMERS; (VIII) LOSS OF, OR LOSS OF USE OF, ANY SOFTWARE OR DATA; (IX) WASTED MANAGEMENT OR OTHER STAFF TIME; (X) LOSSES OR LIABILITIES UNDER OR IN RELATION TO ANY OTHER CONTRACT; (XI) PROPERTY DAMAGE



INCLUDING DAMAGE TO BUNDLED PRODUCTS OR TO OTHER GOODS IN CONNECTION WITH WHICH THE PRODUCT IS USED OR (XI) ANY INDIRECT, PUNITIVE (INCLUDING, WITHOUT LIMITATION, WILLFUL INFRINGEMENT), INCIDENTAL, SPECIAL OR CONSEQUENTIAL LOSS OR DAMAGE.

11.3 SUBJECT TO CLAUSES 11.1 AND 11.2, NORDIC ID'S TOTAL AGGREGATE LIABILITY ARISING FROM OR IN CONNECTION WITH THE SALE OF THE PRODUCTS TO BUYER (WHETHER THE LIABILITY ARISES BECAUSE OF BREACH OF CONTRACT, NEGLIGENCE OR FOR ANY OTHER REASON) WILL BE LIMITED TO THE LESSER OF (I) FIFTY THOUSAND (50.000) EUROS OR (II) ONE HUNDRED PERCENT (100%) OF THE PRICE PAID BY BUYER FOR THE SPECIFIC PRODUCTS THAT ARE THE BASIS OF THE CLAIM, OR (III) IN A CASE WHERE THE LIABILITY CANNOT BE FOCUSED IN ANY SPECIFIC PRODUCTS, ONE HUNDRED PERCENT (100%) OF THE TOTAL PRICE PAID BY BUYER FOR THE PRODUCTS DURING SIX (6) MONTH PERIOD ENDING ON THE DATE WHEN SUCH LIABILITY OR LIABILITIES FIRST ACCRUE.

11.4 BUYER SHALL BE RESPONSIBLE AND LIABLE FOR BUNDLED PRODUCT AND CLAIMS RELATED THERETO, AND NORDIC ID SHALL NOT HAVE ANY RESPONSIBILITY OR LIABILITY

FOR THEM OTHER THAN AS EXPRESSLY SET FORTH IN THESE TERMS.

## 12. GROUNDS FOR RELIEF (FORCE MAJEURE)

12.1 Neither Party will be liable (other than in respect of any payment obligations) for any failure to perform its obligations under these Terms where the failure arises from an event beyond the reasonable control of the Party concerned (a "Force Majeure Event"). Such causes may include, but are not limited to, acts of God or of a public enemy, acts of the government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, lock-outs, industrial disputes, riots or civil commotion, acts of terror or specific threats of terrorist activity, transportation or energy shortages, freight embargoes, power failures, unforeseen shortages of components and production constraints or failure of the postal system.

12.2 Each Party will inform the other of any Force Majeure Event within a reasonable period of time following its occurrence. In the above instances, time for performance will be extended for the period of the delay, provided that either Party may cancel in writing the undelivered portion of the delayed sales contract if the delay exceeds 60 days from the agreed delivery date.

12.3 In addition Nordic ID is entitled to cancel the sales contract without any liability when the fulfillment of the sales contract would become impossible, impracticable or require sacrifices by Nordic ID that would be unreasonable in comparison with the resulting benefit to the Nordic ID.

## 13. GOVERNING LAW AND SETTLEMENT OF DISPUTES

13.1 These Terms shall be governed by and construed in accordance with the laws of Finland, excluding its choice of law principles. The application of the U.N. Convention on Contracts for the International Sale of Goods (1980) is excluded.

13.2 All disputes arising out of or in connection with these Terms shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in

accordance with the said Rules. The arbitration shall be held in Helsinki, Finland. The language used in arbitration, including the language of the proceedings, the language of the decision, and the reasons supporting it, shall be English. Nothing in this Clause 14.2 prevents either Party from applying to the courts of any country for injunctive or other equitable relief (i) to prevent or curtail any breach of agreement; (ii) in relation to an infringement of Intellectual Property Rights; (iii) in respect of misuse of confidential information or breach of confidence; (iv) for Nordic ID to reclaim sums owing by Buyer to

Nordic ID.

## 14. MISCELLANEOUS

14.1 Each Party operates in its own name and for its own account. Neither Party has the authority to

enter into any undertakings, agreements or commitments whatsoever on behalf of or binding upon the other Party. Neither Party may assign any of its rights or obligations without the prior written consent of the other Party. However, Nordic ID may assign its rights and obligations without the consent of Buyer to its subsidiary and/or in the event of a sale, merger or acquisition of Nordic ID.

14.2. Both parties shall comply with all applicable laws and regulations directly relating to the Products and its operations.

14.3 If any provision of these Terms is held for any reason to be ineffective or unenforceable, this will not affect the validity or enforceability of any other provision of these Terms or these Terms as a whole.

14.4 No waiver is effective unless in writing in each separate case and signed by both Parties.

14.5 Each Party shall keep confidential and shall not without the prior consent in writing of the other Party copy or disclose to any third party the content of any documents or information (whether of a commercial, financial, or technical nature and whether or not identified as confidential) received from the other Party in connection with these Terms or any Product. Each Party shall copy and use any such documents and information solely for the normal use of the Product.