



HID Global Worldwide Sales Policy

PLEASE READ THIS SALES POLICY CAREFULLY.

THIS SALES POLICY CONTAINS TERMS AND CONDITIONS WHICH APPLY TO THE SALE OF PRODUCTS BY HID GLOBAL CORPORATION AND ITS AFFILIATED ENTITIES HID CORPORATION LIMITED, HID ASIA PACIFIC LIMITED, HID SA, HID DO BRASIL, HID GLOBAL AG, AND HID GMBH (EACH, AS APPLICABLE, "**HID**"). THIS SALES POLICY ("**AGREEMENT**") IS A LEGAL AND BINDING AGREEMENT BETWEEN THE HID ENTITY ENGAGED IN THE SALE AND ITS CUSTOMER ("**CUSTOMER**").

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I. General Terms and Conditions

Introduction:

HID manufactures and/or sells products (“**Products**”) which incorporate Proximity (125 kHz), iCLASS[®], MIFARE[®] and DESFIRE[®] (13.56 MHz), Magnetic Stripe, Wiegand, VertX[™], Edge[™], AsureID, iDirector, Crescendo[™], Credential services and Smart Card technologies. HID sells these Products separately or as part of a card and reader system for use as the identification medium in card access control systems, secure PC log-on and a multitude of applications as sold by HID’s Customer. HID sells products under the HID[®], INDALA[®], Dorado, VertX[™] brand identities.

A. Entire Sales Policy Agreement

This Agreement contains all of the terms and conditions relating to the sale of Products and provision of services by HID to Customer. This Agreement supersedes all other agreements (written or oral), representations and warranties (including those contained in sales, promotional and/or marketing materials) regarding its subject matter. This Agreement may not be altered, supplemented, or amended by the use of any other document(s) unless otherwise agreed in writing by HID and Customer. HID objects to, and is not bound by, any term or condition contained in any Customer purchase order, document or other instrument which differs from or adds to the terms and conditions in this Agreement. HID and Customer are at times referred to in this Agreement as a “**party**” and together as the “**parties**”.

B. Credit Limit; Payment Terms

1. Credit Limit:

Customer’s credit limit is subject to the approval of HID’s Credit Department. Credit approvals are in the sole discretion of the HID Credit Department which reserves the right to change Customer’s credit limit at any time.

2. Payment Terms:

Customer will pay all invoices within thirty (30) days from the date on the invoice. Payments will be made only in the currency listed on HID’s invoice. **HID’s pricing is based on the 30 day payment terms. HID’s acceptance of any deviation from these payment terms may be conditioned by HID upon Customer’s acceptance of a reciprocal pricing adjustment reflecting the increased credit risk and other costs related to any extended payment terms, as determined solely by HID.**

Orders exceeding U.S. \$50,000 and/or orders involving Custom Products require an initial non-refundable deposit payment with the order unless otherwise agreed in writing by HID.

Amounts which remain unpaid for thirty (30) days or more after the date on the invoice are overdue and will be subject to a curtailment of shipments plus other actions as appropriate. An interest charge of 1.5% may be added monthly to past due amounts.

Customer hereby grants and HID reserves a purchase money security interest in each Product purchased by Customer, and in any proceeds thereof, for the amount of its purchase price plus any interest which may be accrued thereon. Customer authorizes HID to file a UCC financing statement and any other instrument necessary to perfect such security interest. Payment in full of the purchase price of the Product will release the security interest on that Product. In the event HID incurs collection costs or institutes suit to collect any amount owed by Customer under this Agreement, Customer agrees to pay HID’s collection costs (including, without limitation, its attorneys’ fees and court costs).

C. Prices; Foreign Currencies

The prices for Products will be the prices shown on HID’s published price list in effect at the time HID accepts Customer’s purchase order, or the prices shown on an authorized HID quotation which has not expired at the time HID accepts Customer’s purchase order. Currencies will be shown or quoted in United States Dollars unless otherwise expressly stated. For Customers working in alternative currencies, the equivalent foreign currency amount will be converted by HID using the current exchange rate. HID’s special quote numbers must be referenced on Customer’s purchase order for Customer to receive HID’s special quote pricing. Prices on HID’s published price list are subject to change without notice.

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D. Taxes

Prices do not include any U.S. Federal, U.S. State, local, or foreign property, license, privilege, sales, use, excise, gross receipts, VAT, duty or other like taxes relating to the Product or any services performed with respect to the Product. Such taxes will be itemized separately on the invoice and paid by Customer. HID will accept a valid exemption certificate from Customer, if applicable. If an exemption certificate previously accepted by HID is not recognized by the governmental taxing authority involved, Customer agrees to promptly reimburse HID for any taxes covered by such exemption certificate which HID is required to pay.

E. Orders

Purchase orders may be delivered to HID by means of fax, mail service, or electronic means. When HID receives a purchase order from Customer via fax, mail service, or electronic means, if such order is satisfactory to HID, it will, within two (2) business days, be accepted by HID in writing or electronically and scheduled for shipment.

F. Minimum Order Requirements

The minimum acceptable order amount is U.S. \$100.00 for all orders. The minimum Proximity/*iCLASS*/*magnetic stripe* card/tag/key order quantity is 100 for all standard cards/tags/keys, 500 for cards/tags/keys with custom artwork/design and for cards that differ in size from a standard credit card (2 1/8" X 3 3/8"). The minimum ProxPass® tag order quantity is 10 for all standard ProxPass® tags. The minimum Wiegand card/tag/key order quantity is 100 for all standard Wiegand cards/tags/keys. Wiegand card and tag Product orders are subject to a 5% quantity variation. HID will invoice Customer for the actual number of Wiegand cards/tags shipped within the quantity variation limits described above, which Customer agrees to accept and pay for.

G. Order Changes and Cancellation

HID works diligently to deliver Products in the most expedient manner. Changes made by Customer to existing order(s) may result in additional expense to Customer, as described below.

1. Standard Product Orders (Readers):

"Standard Products" are defined as readers that meet HID's published description and specifications. Standard Products are programmed with HID's current version of standard firmware and are listed on HID's published price list in effect at the time the order is placed. **Cards, Tags, Keys, and Transponders are not considered Standard Products.** The standard options for each of the readers are listed and described on HID's "How to Order Guide".

Customer may make changes and cancellations at no cost to Customer up to 24 hours after an order for a Standard Product is submitted by Customer and accepted by HID. Thereafter, order changes for quantity reduction, order changes for different Standard Product(s), or order changes for Custom Product(s) are subject to a ten percent (10%) surcharge. All Standard Product order cancellations after 24 hours from which the order was accepted by HID are subject to a twenty percent (20%) restocking charge.

2. Custom Product Orders (Cards, Tags, Keys, Transponders, and Modified Standard Products):

"Custom Products" are defined as (a) magnetic stripe cards (b) preprogrammed cards, tags, keys, and transponders, (c) cards, tags, keys and transponders with custom marking and/or printing, and (d) modified Standard Products. These modifications may include, but are not limited to, such things as custom firmware, Product housings that are not HID's published standard colors or sizes, and changes made to a Product when it is received by Customer, including changes to housings, programming, and operating parameters.

Changes may be made to Custom Products orders (**including, without limitation, all Card/Tag/Transponder Products**) at no charge to Customer up to 24 hours after the order is submitted by Customer and accepted by HID (except orders for cards/credentials placed by Customer under HID's Priority Plus Service program are non-cancelable and non-changeable). Standard HID cards, tags and transponders require a purchase order from Customer, and an order acceptance by HID. Cards/tags with custom artwork require an art proof and purchase order by Customer and an order acceptance by HID. Custom Products require a signed approval of the Product specification by both HID and Customer, a purchase order by Customer, and an order acceptance by HID. **Changes made to Custom Product orders occurring more than 24 hours from which the order was submitted and accepted by HID will**

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incur a twenty percent (20%) surcharge plus any related costs directly caused by the redesign. Orders for Custom Products are non-cancelable and non-refundable.

H. Claims

Claims for errors on HID's invoice must be received by HID within thirty (30) days from date of the invoice in question. Claims for shortages or incorrectly filled orders must be received by HID within ten (10) days after receipt of shipment. All such claims must be submitted to the HID office address to which Customer submitted the order. For convenience, HID office locations worldwide can be found in HID's web site under "About HID" or @ http://www.hidcorp.com/about/about.php?subcat_id=15.

I. Force Majeure

HID will not be liable for loss, damage, detention, delay or failure to perform any of its obligations due to causes beyond its reasonable control. Such causes will include, but will not be limited to, such things as fire, flood, earthquake or other natural disasters, war, riots, terrorism, civil insurrection or acts of the common enemy, war embargo, the intervention of any governmental authority, acts of civil or military authority including governmental laws, orders, priorities or regulation, strikes (regardless of the characterization thereof), or other labor difficulty, labor slowdowns, walkouts and/or shortages, material shortages, shortage of transport, failures of suppliers to deliver material and components in accordance with the terms of their contracts, acts of Customer, embargo, wrecks, or delays in transportation, inability to obtain necessary labor, materials, or manufacturing facilities from unusual sources, or other causes beyond the reasonable control of HID ("Force Majeure Event"). In the event of delay in performance due to any such cause, the date of delivery or time for completion will be adjusted to reflect the actual length of time as may be necessary to properly reflect the delay, and the price may also be adjusted to reflect additional costs incurred by HID as a consequence of such delay. Customer's receipt of Products will constitute a waiver on any claims for delay.

J. Ship Dates

HID will assign estimated shipment dates on orders based on Product availability. Shipment dates will be assigned after HID has accepted the order. HID will make commercially reasonable efforts to meet its assigned shipment dates. However, HID will not be liable for its failure to meet such dates. In the event any shipment or portion thereof is delayed more than 30 days from any assigned shipment date, HID, at Customer's request, will arrange for premium transportation. If such delay is not excused as having been caused by a Force Majeure Event, HID will pay that portion of the shipment costs attributable to the premium transportation, which will be HID's sole and exclusive obligation and liability for failure to ship on or before any assigned shipment date. If Customer requests or otherwise causes HID to store Products beyond the assigned shipment date, Customer will be invoiced for the total price of the stored Products and the costs of storage and insurance on such Products.

K. Shipments

HID reserves the right to make partial shipments.

L. Packaging

HID will package the Products in accordance with its customary practices and will arrange for shipment by the means it deems most appropriate. Customer will pay or reimburse HID for the costs of any special packaging required by Customer.

M. Freight and Title

Title and risk of loss or damage to Products will pass to Customer upon tender of delivery FCA (Incoterms 2000) at HID's manufacturing facility, except that a security interest in the Products or any replacement will remain in HID, regardless of the Product's mode of attachment to realty or other property, until full payment has been made for the Product. Customer will do all things and acts necessary to perfect and maintain said security interest. Customer will adequately insure the Product against loss or damage from any cause. Upon request, Customer will name HID as an additional insured and provide HID with a certificate of insurance coverage.

N. Limitations of Liability

The total liability of HID, its subcontractors and suppliers for all direct damages, including, without limitation, contract damages and damages for injuries to persons or property, whether arising from HID's breach of this Agreement, breach of warranty, negligence, strict liability, or other tort with respect to the Products, or any service provided in connection with the Products or otherwise, is

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limited to an amount not to exceed the price HID received for the particular Product or service giving rise to the liability.

In no event, whether as a result of HID's breach of this Agreement, breach of warranty, negligence, strict liability, or other tort with respect to the Products, or any service provided in connection with the Products or otherwise, will HID, or its subcontractors or suppliers, be liable for loss of profits or revenues; claims of Customers; loss of use of Products or any other equipment, software, system, or facility; loss of data or information; lack or loss of productivity; interest charges or cost of capital; cost of substitute product, software, systems or services; cost of purchases or replacement power; downtime costs; or special, incidental, consequential or punitive damages of any nature. As Customer has control over its use of Products, Customer will indemnify HID, its subcontractors and suppliers against any claims of any kind made against them, or any of them, by any customer of Customer or any end user of the Products giving rise to damages. The right to recover damages within the limitations specified in this paragraph N is Customer's exclusive alternative remedy in the event that any other contractual remedy fails of its essential purpose.

O. Product Design

HID reserves the right to discontinue the manufacturing of any of the Products, to make changes in their design, or to make improvements to the Products at any time without prior notice to Customer. In any such event, HID will not be required to change Product previously sold to Customer. No part of this paragraph will be deemed to affect the obligation of HID to fill orders previously accepted.

P. Limitations of Use of HID Products

Customer agrees that it will not sell or use any Product of HID, in original form or as part of any product manufactured, integrated, or assembled by Customer or any third party, in animal identification (applications involving the identification of any type of animal other than human beings), agricultural produce (applications involving the identification of fruits, vegetables, grains and similar agricultural products), and/or pharmaceutical applications (applications involving the identification of drugs, vaccines and medicines including containers therefor).

Q. Privacy Information

In the interests of maintaining the privacy, security and proper usage of all card/credential bit formats by end user customers, Customer agrees that any and all card/credential formats which are now held by Customer or may be provided to Customer by HID in the future (including, without limitation, the card/credential formats delivered pursuant to the Corporate 1000 program and the *iCLASS* Elite 1000 program) constitute the proprietary information of HID. Customer agrees to hold all such proprietary information in strict confidence, not to disclose it to unauthorized third parties, and to use the same only for the purposes agreed upon between HID and Customer and for no other purpose.

R. Assignment

Neither party may assign this Agreement or any order issued hereunder, in whole or in part, without the prior written consent of the other party, except that HID may (i) assign or subcontract this Agreement and any order issued hereunder, in whole or in part, to its parent company or any of its parent company's wholly owned subsidiaries or affiliates, and (ii) assign this Agreement and any order issued hereunder in connection with a merger, consolidation, spin-off, corporate reorganization, or sale of all or substantially of the assets of HID.

S. Applicable Law

This Agreement, and any order issued hereunder, will be governed by and construed in accordance with the laws of the State of California, United States of America, without regard to conflict of laws principles thereof. The provisions of the United Nations Convention on Contracts for the International Sale of Goods will not apply to this Agreement or any order issued hereunder.

Applicable Law for Sales by HID Corporation Limited: With respect to all sales by HID Corporation Limited, but in no event for any sales by any other HID entity, this Section I(S) of this Agreement will be superseded in its entirety by the following provision: This Agreement, and any order issued hereunder, will be governed by and construed in accordance with the laws of England and the United Kingdom, without regard to conflict of laws principles thereof. The provisions of the United Nations Convention on Contracts for the International Sale of Goods will not apply to this Agreement or any order issued hereunder.

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T. Waivers

No waiver of any provision of this Agreement or any right or obligations of either party will be effective, except pursuant to a writing signed by an authorized representative of the party waiving compliance, and any such waiver will be effective only for the specific instance and purpose stated in such writing.

U. Arbitration

If any dispute, difference, or disagreement arises in respect of this Agreement or any order issued hereunder, or the meaning and construction hereof or thereof, every such dispute, difference, and disagreement will be referred to a single arbiter agreed upon by the parties. If no single arbiter can be agreed upon, an arbiter will be selected in accordance with the rules of the American Arbitration Association, and such dispute, difference, or disagreement will be settled by arbitration in accordance with the then prevailing commercial rules of the American Arbitration Association. Judgment upon the award rendered by the arbiter may be entered in any court having jurisdiction thereof. Any arbitration undertaken hereunder will be held in the County of Orange, State of California. The decision of the arbiter will be final and binding upon the parties.

Arbitration for Sales by HID Corporation Limited: With respect to all sales by HID Corporation Limited, but in no event for any sales by any other HID entity, this Section I(U) of this Agreement will be superseded in its entirety by the following provision: Nothing in this Agreement will prevent a party from applying to a court for injunctive or other equitable relief, or for summary judgment, or from exercising any right expressly conferred on it in this Agreement. Subject to the preceding sentence, the parties will attempt in good faith to resolve any dispute or claim arising out of or relating to this Agreement within 30 days by negotiations between senior executives of the parties who have the authority to settle that dispute or claim. If the matter is not so resolved within such 30 day period, either party may at its option submit the matter for resolution through a procedure such as mediation, conciliation or executive tribunal or other dispute resolution technique recommended to them by the Centre for Effective Dispute Resolution in England or by such body as may replace it ("ADR Procedure"). If a party elects to submit to the ADR Procedure, the other party will be obliged to submit to the ADR Procedure and both parties will attempt in good faith to resolve the matter through the ADR Procedure. In such circumstances, neither party may resort to the jurisdiction of the courts until the dispute or claim has been resolved pursuant to the ADR Procedure or until the person or tribunal in charge of the ADR Procedure notifies both parties in writing that in his, her or its opinion the matter is not capable of resolution through the ADR Procedure or is unlikely to be so resolved.

V. Additional Terms and Conditions

Waste and Electrical and Electronic Equipment (WEEE) Directive (European Union). This paragraph applies to Customers located in a member state of the European Union ("Member State") that purchase Product from an HID entity that is organized in the same Member State ("HID Entity"). For such Product sales, Customer will exclusively finance the collection and delivery of waste electrical and electronic equipment (WEEE) to the recycler's address specified by the HID Entity pursuant to the HID Entity's B2BWEEE scheme, as required by the WEEE regulations applicable to the Member State. This paragraph applies to all new electrical and electronic equipment (EEE) put on the market in the Member State by the HID Entity after 13 August 2005 (known as new WEEE), as well as all EEE put on the market before 13 August 2005 (known as historic WEEE) which becomes waste as a result of a purchase of new EEE from the HID Entity after August 2005. If Customer resells the EEE to a third party in the Member State, Customer will ensure that the full substance of this paragraph is included in the contractual arrangements governing the sale to such third party. Customer agrees to indemnify and hold harmless the HID Entity engaged in the sale, HID Global Corporation, and their respective affiliates from and against all costs and expenses which any of them incurs or suffers as a result of a direct or indirect breach or negligent performance or failure in performance by Customer of its obligations in this paragraph.

Export Control EU Regulation 1334/2000 (For European Union). HID and Customer may exchange certain information in connection with a sale pursuant to this Agreement, in which case the parties may be referred to as the "originating party" and the "receiving party" as applicable. The receiving party warrants that no information of the type which may be subject to EU Regulation 1334/2000 disclosed to it by the originating party will be disclosed to any party in any country other than the country where the receiving party has received the information, without first complying with all requirements of EU Regulation

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1334/2000, including the requirements for obtaining any export license, if applicable. The receiving party will first obtain the written consent of the originating party prior to submitting any request for authority to export any such information.

II. HID Warranty

A. Products Covered by Warranty

HID warrants each Product listed below to be free from defects in materials and assembly in the course of normal use and service. Defective Product which is under warranty must be returned to HID in the manner described in Section III(B) below in order for the Product to be repaired or replaced, or credit given to Customer, as provided in Section II(B) below. The warranty period commences with the date of shipment to the original Customer and extends for the warranty period indicated in Exhibit A.

B. Exclusive Warranty Remedy

During the applicable warranty period stated in this Agreement, HID will provide the following sole and exclusive remedy in the event a Product is determined by HID to be defective in materials or assembly:

1. For defective **Credentials (i.e., Cards, Key fobs, Tags)**, HID will credit Customer with the price paid by Customer for the defective Credentials.
2. For defective **Readers, VertX Products, "Dorado by HID" Products, and MR Access Magnetic Stripe Readers**, HID at its sole discretion will either repair the defective Product without charge or replace it with a new or refurbished Product.
3. For all **other defective Products**, HID at its sole discretion will (i) repair the defective Product without charge; (ii) replace the defective Product with a new or refurbished Product; or (iii) provide to the Customer a credit towards Customer's future purchase of Product from HID in the amount of the price paid by Customer for the defective Product (excluding local taxes and levies).

Customer must deliver its warranty claim to HID during the warranty period in the manner described in Section III (B) below as a condition to receiving a warranty remedy from HID. Return of the defective Product to HID is required (unless otherwise approved in writing by an HID representative).

C. Warranty Exclusions

The following items are not covered by HID's warranty:

- Ancillary equipment not furnished by HID which is attached to or used in conjunction with a Product.
- A Product which is used with any ancillary equipment that is not furnished by HID.
- Cards/credentials which are processed or modified by third parties after sale by HID.
- Freight cost to return a Product to HID.
- Defects or damage resulting from Customer's improper testing, operation, installation, maintenance, modification, alteration, or adjustment.
- Defects or damage from misuse, accident or neglect.
- Defects or damage resulting from use of the Product in other than its normal and customary manner.
- Defects or damage due to lightning or other electrical discharge.
- Defects or damage due to continuous or excessive bending of cards/credentials.
- Product that is disassembled or repaired in such a manner as to adversely affect performance or prevent adequate inspection and testing to verify any warranty claim.
- Modification or abuse of, or tampering with, the Product.
- Installation, maintenance, or service of the Product.
- Contact Smart Chip Modules/Reader Modules/Code Strips embedded into other products.
- Tags/Inserts embedded into other products.
- Wiegand Readers and Reader Modules purchased by Customer prior to HID's acquisition of Sensor Engineering on October 15, 1996.
- Magnetic Stripe Encoders.

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D. Additional Warranty Terms and Conditions

- HID's warranty is subject to HID's prior approval of Customer's application and use of the Product. Consult HID at time of order.
- HID/Casi-Rusco Interface Module warranty covers Bare board on plate only.
- 90 day warranty for embedded Contact Smart Chip Modules.
- Magnetic Stripe Encoders are not manufactured by HID. Please contact HID Customer Service for repair instructions.
- The magnetic stripe on any card will be warranted for 15 months.

E. Warranty Limitations

THIS WARRANTY SETS FORTH THE FULL EXTENT OF HID'S WARRANTY RESPONSIBILITY. REPAIR, REPLACEMENT, OR CREDIT IN THE AMOUNT OF THE PURCHASE PRICE PAID FOR THE APPLICABLE DEFECTIVE PRODUCT, AT HID'S SOLE DISCRETION AS INDICATED ABOVE, IS THE EXCLUSIVE REMEDY. THIS WARRANTY IS PROVIDED IN LIEU OF ALL OTHER EXPRESS OR IMPLIED WARRANTIES. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE SPECIFICALLY EXCLUDED. IN NO EVENT WILL HID BE LIABLE FOR DAMAGES IN EXCESS OF THE PURCHASE PRICE OF THE PRODUCT, FOR ANY LOSS OF USE, LOSS OF TIME, INCONVENIENCE, COMMERCIAL LOSS, LOST PROFITS OR SAVINGS, OR OTHER INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF THE INSTALLATION, USE, OR INABILITY TO USE SUCH PRODUCT, TO THE FULLEST EXTENT THAT ANY SUCH LOSS OR DAMAGE MAY BE DISCLAIMED BY LAW. HID WILL NOT BE RESPONSIBLE OR LIABLE FOR ANY DAMAGE OR LOSS RESULTING FROM THE OPERATION OR PERFORMANCE OF ANY THIRD PARTY PRODUCT OR ANY SYSTEMS IN WHICH AN HID PRODUCT IS INCORPORATED.

III. HID Return Policy

A. Return Policy For Standard Products (Not for Warranty Returns)

HID will give Customer a credit equal to the purchase price, minus a twenty percent (20%) restocking charge, for all HID approved returns for Standard Products. Standard Products may only be returned for credit within one (1) year from the purchase date from HID. The Standard Product must be new and in complete original factory packaging. Credit will not be issued for damaged, shop worn or previously installed Standard Products, or for Standard Products which have missing parts or which have defaced or damaged packaging. Freight to HID's facility will be at Customer's expense. iCLASS Credentials Programmed with "Elite Program" can not be re-programmed. **No Custom Products (including, without limitation, custom cards, tags, keys, and transponders) can be returned to HID for credit for any reason other than for a warranted Product defect.**

To return Standard Products to HID for a reason other than a warranted Product defect, Customer must:

1. Inform HID Customer Service that Customer wishes to return Standard Product(s) for a reason other than a warranted Product defect. For convenience, an RMA form can be filled out and E-mailed from HID's web site @ http://www.hidcorp.com/page.php?page_id=20.
2. Provide HID Customer Service with the following:
 - a. The model number and serial number of the Standard Product(s).
 - b. The reason the Standard Product is being returned.
 - c. The original Purchase Order number.
3. HID will issue an RMA number to Customer.
4. Customer must return the Standard Product(s) with the RMA number clearly marked on the package. Any package returned to HID without an RMA number will be refused and shipped back to Customer.
5. Customer will be issued a credit for the returned Standard Product(s), less the 20% restocking charge.

B. Return Policy for Defective Products Under Warranty

To return a defective Product which is under warranty to HID, Customer must:

1. Inform HID Customer Service that Customer has a defective Product. For convenience, a Return Material Authorization ("RMA") form can be filled out and E-Mailed from our web site @ http://www.hidcorp.com/page.php?page_id=20.
2. Provide HID Customer Service with the following:
 - a. The model number and serial number of the defective Product.
 - b. A description of the Product defect.
3. HID will issue an RMA number to Customer. No RMA number will be issued to Customer if the warranty period for the defective Product has expired.
4. Customer must return the defective Product in to HID with the RMA number clearly marked on the package. Any package returned to HID without an RMA number will be refused and shipped back to Customer. The defective Product must be returned to HID in a testable condition (e.g., wiring cable must be left a minimum of 6" long, credentials cannot be cut in half, etc.) otherwise the warranty is invalidated.
5. Upon HID's receipt of the defective Product from Customer, HID will evaluate the defective Product to determine whether it is covered under HID's warranty. If HID determines the Product is covered under its warranty, HID will take the corrective warranty action described in Section II(C) of this Agreement depending on the type of Product. Customer agrees to pay HID a minimum U.S.\$50.00 charge for each Product evaluated by HID and determined not to be defective. All defective Products which are returned to HID and not repaired and returned to Customer will become the property of HID; such Products will not be returned to Customer.

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6. If a defective Product is eligible for a credit under Section II(C) above, credits are normally issued within approximately ten (10) business days from the date the defective Product is received and evaluated by HID.

C. Evaluation of Out of Warranty Products

Upon Customer's request, HID may evaluate Product(s) which are not under warranty. If HID agrees to perform an evaluation, a minimum U.S. \$100.00 charge will be applied to each Product evaluated for the labor required in the evaluation. If Customer decides to order a new Product after HID's evaluation, any order placed by Customer must meet HID's applicable minimum order requirements described in Section I (F) above.

D. Non-Warranty Repair Charges

HID may agree to repair certain Products which are out of warranty, in which event the following repair charges apply:

1. **"Dorado by HID" and MR Access Magnetic Stripe Readers:** U.S. \$100 (covers parts and labor). Ceramic head is extra. If the Reader is out of production, please contact HID Customer Service to determine if the Reader is repairable.
2. **VertX Products:** U.S. \$175 for VertX Controllers; U.S. \$100 for Interface and Memory Expansion Boards. Covers parts and labor.

*******END*******

Exhibit A Products and Warranty Periods

1. HID iCLASS® 13.56 MHz Readers

Base No.	Product Name	Warranty Period
6100/6108	iCLASS® R10 Reader	Lifetime
6101	iCLASS® RW100 Reader	Lifetime
6109	iCLASS® R10-T Read Only Contactless Smart Card Transit Reader	Lifetime
6110/6112/6118	iCLASS® R30 Reader	Lifetime
6111	iCLASS® RW300 Reader	Lifetime
6119	iCLASS® R30-T Read Only Contactless Smart Card Transit Reader	Lifetime
6120/6122/6128	iCLASS® R40 Reader	Lifetime
6121	iCLASS® RW400 Reader	Lifetime
6124	iCLASS® RP40-T multiCLASS™ Read Only Multi Technology Transit Reader	Lifetime
6125/6123	iCLASS® RP40 Reader	Lifetime
6129	iCLASS R40-T Contactless Smart Card Transit Reader	Lifetime
6130/6132/6138	iCLASS® RK40 Reader	Lifetime
6131	iCLASS® RWK400 Reader	Lifetime
6134	iCLASS® RPK40-T Read Only Multi Technology Transit Keypad Reader	Lifetime
6136/6133	iCLASS® RPK40 multiCLASS™ Read Only Multi Technology Keypad Reader	Lifetime
6139	iCLASS® RK40-T Read Only Contactless Smart Card Transit Reader	Lifetime
6140/6142/6148	iCLASS® R15 Read Only Contactless Smart Card Reader	Lifetime
6141	iCLASS® RW150 Contactless Smart Card Read/Write Reader	Lifetime
6144	iCLASS® RP15-T multiCLASS™ Read Only Multi Technology Transit Reader	Lifetime
6145/6143	iCLASS® RP15 multiCLASS™ Read Only Multi Technology Reader	Lifetime
6149	iCLASS® R15-T Read Only Contactless Smart Card Transit Reader	Lifetime
6150	iCLASS® R90 Reader	Lifetime
6170	iCLASS® RKL55 Reader	One year
6171	iCLASS® RWKL550 Reader	One year
6180	iCLASS® RKL57 Reader	One year
6181	iCLASS® RWKL575 Reader	One year
6190	iCLASS® BIO500 Reader	One year
6250	iCLASS® CP575A Card and Fingerprint Programmer	One year
3150	iCLASS® CP400 Card Programmer	Lifetime
3175	iCLASS® SDK Card Programmer	Lifetime
3100	iCLASS® OEM100 TTL Module	*
3101	iCLASS® OEM100 RS232 Module	*
3111	iCLASS® OEM300 RS232 Module	*
3121	iCLASS® OEM150 Module	*
3131	iCLASS® OEM50 TTL Module	*
3141	iCLASS® OEM75 Module	*

* HID's warranty does not cover Contact Smart Chip Modules/Reader Modules/Code Strips/Tags/Inserts embedded into other products.

2. HID iCLASS® 13.56 MHz Credentials (Identified with an  logo)

Base No.	Product Name	Warranty Period
2x0x	iCLASS® Card	Lifetime
2x1x	iCLASS® Embeddable Card	Lifetime
2x2x	iCLASS® Prox Card	Lifetime
2x3x	iCLASS® Prox embeddable Card	Lifetime
2x4x	iCLASS® Wiegand Card	Lifetime
205x	iCLASS® Key	Lifetime
206x	iCLASS® Tag	Lifetime
207x	iCLASS® eUnit Tag	*
2x8x	iCLASS® Clamshell	Lifetime

* HID's warranty does not cover Contact Smart Chip Modules/Reader Modules/Code Strips/Tags/Inserts embedded into other products.

3. HID Proximity 125 kHz Credentials (Identified with an  logo)

Base No.	Product Name	Warranty Period
1300	PCB Card Insert (Module)	*
1326	ProxCard® II Card	Lifetime
1336	DuoProx® II Card	Lifetime
1346	ProxKey® II Keyfob	Lifetime
1351	ProxPass® Active Vehicle ID Tag	One year
1376	ProxCard Plus™ Card (Proximity / Wiegand)	Lifetime
1386	ISOProx® II Card	Lifetime
1390	eProx™ Tag	*
1391	MicroProx® Tag	Lifetime
1397	Smart ISOProx® II Card	Lifetime
1398	Smart DuoProx® II Card	Lifetime

* HID's warranty does not cover Contact Smart Chip Modules/Reader Modules/Code Strips/Tags/Inserts embedded into other products.

4. HID Proximity 125 kHz Readers

Base No.	Product Name	Warranty Period
1050	125 kHz ProxProgrammer®	Lifetime
4025	Multi Chip Module – MCM	*
4035	ProxGuts™ OEM Proximity Module	*
4041	eProx™ Lock Module	*
4045	EntryProx™ Reader	Lifetime
4065	ProxPoint® and ProxPoint® Plus OEM Proximity Module	*
5355	ProxPro® Reader	Lifetime
535X	ProxPro® w/ Keypad	Lifetime
5365/H	MiniProx® Reader & MiniProx Reader Hazardous Location	Lifetime
5375	MaxiProx® Reader	Lifetime
5395	ThinLine® II Reader	Lifetime
5405	Prox80™ Reader	Lifetime
5455	ProxPro® II Reader	Lifetime
6005	ProxPoint® Plus Reader	Lifetime

* HID's warranty does not cover Contact Smart Chip Modules/Reader Modules/Code Strips/Tags/Inserts embedded into other products.

5. HID MIFARE® / DESFire® Products (Identified with an  logo)

Base No.	Product Name	Warranty Period
143x/144x	HID MIFARE® Card	Lifetime
1434/1444	HID MIFARE® Keyfob	Lifetime
1435/1445	HID MIFARE® Tag	Lifetime
143x/144x	HID Proximity & MIFARE® Card	Lifetime
1450/1456	HID DESFire® Card	Lifetime
1454	HID DESFire® Keyfob	Lifetime
1455	HID DESFire® Tag	Lifetime
1451/1457	HID Proximity & DESFire® Card	Lifetime
6055	HID MIFARE® Reader/Writer Reader	Lifetime

5. HID FlexSmart® MIFARE® / DESFire® Products (Continued)

Base No.	Product Name	Warranty Period
6071	HID MIFARE® Keypad Reader Only Reader	Lifetime
6072	HID MIFARE® Keypad Custom Read Only Reader	Lifetime
6073	HID DESFire® Keypad Custom Read Only Reader	Lifetime
6074	HID MIFARE® Reader Only Reader	Lifetime
6075	HID MIFARE® Reader Only Reader	Lifetime
6076	HID MIFARE® Custom Read Only Reader	Lifetime
6077	HID DESFire® Custom Read Only Reader	Lifetime
3011	HID MIFARE® 13.56 MHz Programmer	Lifetime
3012	HID MIFARE® Developer's Resource CD	Lifetime
3012	HID MIFARE® Developer's Resource Kit	Lifetime
3013	HID MIFARE® Demo Kit	Lifetime

6. HID Interface Systems

Base No.	Product Name	Warranty Period
4033	HID/Casi-Rusco™ Interface Module	*
5385	MultiProx® Reader, Back Connect	Lifetime
5385	MultiProx® Reader, Side Connect	Lifetime
6000	MultiProx® Controller	Lifetime
6020	MultiProx® HSM Interface	Lifetime

* HID's warranty does not cover Contact Smart Chip Modules/Reader Modules/Code Strips/Tags/Inserts embedded into other products.

7. HID Wiegand Credential (Identified with an )

Base No.	Product Name	Warranty Period
10-0	Sensorcard™	Lifetime
10-0	Sensorcard™ II	Lifetime
11-0	Sensorcard™	Lifetime
14-0	Sensorcard™	Lifetime

7. HID Wiegand Credential (Continued) (Identified with an  logo)

Base No.	Product Name	Warranty Period
16-0	ProxCARD® Plus (Proximity / Wiegand)	Lifetime
18-0	Badge Size Vinyl Card	Lifetime
21-0	Code Strips	*
25-0	Sensorkey™	Lifetime
140	Pocket Tag	Lifetime

8. HID Wiegand Readers

Base No.	Product Name	Warranty Period
310	Classic Swipe	Lifetime
310	PinPad	Lifetime
311	Reader Modules	*
312	Insert	Lifetime
313	Wiegand Key	Lifetime
314	Turnstile	Lifetime
315	Epic	Lifetime

* HID's warranty does not cover Contact Smart Chip Modules/Reader Modules/Code Strips/Tags/Inserts embedded into other products.

9. Dorado by HID Readers / Cards

Base No.	Product Name	Warranty Period
3110	Dorado by HID Reader Family	27 Months
1100/3114	Dorado by HID Magnetic Stripe Card Family	3 Months
1100/3114	Dorado by HID Proximity Cards / Keyfobs	Lifetime
3152	Dorado by HID Magnetic Stripe Encoders	One year

"Dorado by HID" Magnetic Stripe Reader Heads are not covered under this warranty.

10. HID Proxima Cards / Readers

Base No.	Product Name	Warranty Period
20	Proxima Card Family	Lifetime
32	Proxima Reader Family	Lifetime

11. HID Networked Access Solutions

Base No.	Product Name	Warranty Period
71000	VertX V1000 Controller	18 Months
72000	VertX V2000 Controller	18 Months
70100	VertX V100 Interface	18 Months
70200	VertX V200 Interface	18 Months
70300	VertX™V300 Interface	18 Months
70016	VertX™ Memory Upgrade, 16 MB	18 Months
70032	VertX™ Memory Upgrade, 32 MB	18 Months
83000	EdgePlus™ Solo ES400	18 Months
83120	EdgeReader™ Solo ESR40	18 Months
83125	EdgeReader™ Solo ESRP40	18 Months
82000	EdgePlus™ E400	18 Months
82120	EdgeReader™ ER40	18 Months
82125	EdgeReader™ ERP40	18 Months
82121	EdgeReader™ ERW400	18 Months

12. Indala FlexPass™ / 125 kHz Product Line

Cards, Tags, Transponders and Key Fobs: (Identified with an  or  logo)

Base No.	Product Name	Warranty Period
FPCRD	FlexCard™ Standard Card	Lifetime
FPKEY	FlexKey™ Key Tag	Lifetime
FPIISO	FlexISO™ Imageable Card	Lifetime
FPSMT-CONS	Consignment Inventory Smart Cards	1 Year FP and Contact Chip
FPMSC	FlexISO-MIFARE®-Smart Card	Lifetime
FPIXT	FlexISO XT Composite Card	Lifetime
FPTAG	FlexTag 125 kHz	Lifetime
FPCOR	FlexTag 125 kHz coil (bare electronics)	*

* HID's warranty does not cover Contact Smart Chip Modules/Reader Modules/Code Strips/Tags/Inserts embedded into other products.

12. Indala FlexPass™ / 125 kHz Product Line (Continued)

Readers:

Base No.	Product Name	Warranty Period
FPXXXXX	Most FlexPass™ Readers	Lifetime
FP506X	Membrane Keypad Readers	Lifetime
FP507X	Heavy Duty PinProx Keypad Readers	Lifetime
ASR-620+	FlexPass, Long Range, Black	Lifetime
ASR-503	Legacy, Mullion, Black	Lifetime
ASR-505	Legacy, Wallswitch, Black	Lifetime
ASR-505	Legacy, Wallswitch, Beige	Lifetime

Indala Core Electronic Modules:

Base No.	Product Name	Warranty Period
FPC-0500A	Slim/Wallswitch Core Module	Lifetime
FPC-0200A	Midrange Wiegand Core Module	Lifetime
FPC-0200S	Midrange, Serial Core Module	Lifetime
FP3512A	FlexPass Lite Core Module	Lifetime
FP5110	OEM Potted Unit (Module 705)	*
FP5120	OEM Board with antenna (Module 705)	*
FP5130	OEM Board without antenna (Module 705)	*

* HID's warranty does not cover Contact Smart Chip Modules/Reader Modules/Code Strips/Tags/Inserts embedded into other products.

Indala Accessories:

Base No.	Product Name	Warranty Period
BIL-422/232	Serial Adapter	2 Years
AFP-1000+	ProxSmith™ Field Programmer	Hardware 2 years, Software 90 days
API-1000+	ProxSmith API	Hardware 2 years

13. Indala EM Product Line

Cards, Tags, Transponders and Key Fobs: (Identified with an  or )

Base No.	Product Name	Warranty Period
CXCRD	CX Clamshell Card	Lifetime
CXKEY	CX Key Tag	Lifetime
CXISO	CX Imageable Card	Lifetime
CXIXT	CX XT Composite Imageable Card	Lifetime
CXPL5	CX 50 mil PVC Card	Lifetime

14. Indala MIFARE® and DESFire 13.56 MHz Product Line

Cards, Tags, Transponders and Key Fobs: (Identified with an  or )

Base No.	Product Name	Warranty Period
DXKEY	DESFire Key Tag	Lifetime
DXTAG	DESFire Adhesive Tag	Lifetime
DXISO	DESFire Imageable Card	Lifetime
MXKEY	MIFARE® Key Tag	Lifetime
MXTAG	MIFARE® Adhesive Tag	Lifetime
MXISO	MIFARE® Imageable Card	Lifetime

Readers:

Product Name	Warranty Period
All IX200, MX200, DX200, and LX200 series readers	Lifetime

15. Indala Multi Technology (125 kHz/13.56 MHz/contact chip) Cards and Tags

(Identified with an  or )

Base No.	Product Name	Warranty Period
FPWGD	FlexISO 125 kHz-Wiegand Card	Lifetime
FPMXI	FlexISO 125 kHz- 13.56 MHz MIFARE® ISO Combo Card	Lifetime
FPDXI	FlexISO 125 kHz-13.56 MHz DESFire® ISO Combo Card	Lifetime
FPSMT	FlexISO-Contact Chip Smart Card	Lifetime
MXSMT	MIFARE® 13.56 MHz/Contact Chip Combo Smart Card	Lifetime

15. Indala Multi Technology (125 kHz/13.56 MHz/contact chip) Cards and Tags

Base No.	Product Name	Warranty Period
DXSMT	DESFire® 13.56 MHz/Contact Chip Combo Smart Card	Lifetime
CXMXI	CASI™ Compatible 125 kHz- 13.56 MHz MIFARE® ISO Combo Card	Lifetime
CXDXI	CASI™ Compatible 125 kHz-13.56 MHz DESFire® ISO Combo Card	Lifetime
CXIXI	CASI™ Compatible 125 kHz-13.56 Intro Card	Lifetime
CXLXI	CASI™ Compatible 125 kHz-13.53 MHz Legic ISO Combo Card	Lifetime
CXSMT	CASI™ Compatible 125 kHz -Contact Chip Smart Card	Lifetime

16. Cotag by Indala Product Line

Cards, Tags, Transponders and Key Fobs:

Base No.	Product Name	Warranty Period
CO-CRD	Cotag 928 Active Clamshell Cards	5 Years
CO-KEY	Cotag 911 Active Keyring	5 Years

Readers:

Base No.	Product Name	Warranty Period
CO-HFXXXX	Cotag Hands Free Readers	3 Years
CO-5511	Cotag Reader Pack	3 Years
CO-PR500	Cotag Mullion Reader	3 Years
CO-SP500	Cotag Switch Plate Reader	3 Years
CO-PM500	Cotag Panel Mount Reader	3 Years
CO-HD500	Cotag Heavy Duty Reader	Lifetime

17. Crescendo Cards & Readers

Base No.	Product Name	Warranty Period
402x-C200	Crescendo™ Contact/Contactless Card	2 Years
407x-C700	Crescendo™ Contact/Contactless Card	2 Years

17. Crescendo Cards & Readers (Continued)

Base No.	Product Name	Warranty Period
R31210126	USB Desktop Smart Card Reader	2 Years
R40400023	PCMCIA Smart Card Reader	2 Years

18. SmartID® 13.56 MHz Readers

Base No.	Product Name	Warranty Period
800-8020	SmartID® ISO 14443-3 Mifare Serial number reader (C&D / Wiegand)	Two Years
800-8025	SmartID® ISO 14443-3 Mifare Serial number reader (RS232)	Two Years
800-8030	SmartID® ISO 14443-3 Mifare Sector or T=CL	Two Years
800-8060	SmartID® ISO 14443-4 DESFire Reader (FIPS 201 mid-point compliant)	Two Years
800-8061	SmartID® ISO 14443-4 DESFire Reader	Two Years
800-8062	SmartID® ISO 14443-3 Dual Mifare Reader	Two Years
800-8063	SmartID® ISO 14443-4 DESFire and MIFARE Reader (FIPS 201 mid-point)	Two Years
800-8080	SmartID® ISO 14443-4 PIVII Reader (FIPS 201 end-point compliant), GSA	Two Years
800-8081	SmartID® ISO 14443-4 PIVII and MIFARE Reader (FIPS 201 end-point compliant)	Two Years
800-8045	SmartID® ISO 14443-3 Mifare Keypad Reader or T=CL	Two Years
800-8075	SmartID® ISO 14443-4 DESFire Keypad Reader (PIV Mid-Point Compliant)	Two Years
800-8076	SmartID® ISO 14443-4 DESFire Keypad Reader	Two Years
800-8077	SmartID® ISO 14443-3 Dual Mifare Keypad Reader	Two Years
800-8078	SmartID® ISO 14443-4 DESFire and MIFARE Keypad Reader (FIPS 201 mid-point)	Two Years
800-8084	SmartID® ISO 14443-4 PIVII and MIFARE Keypad Reader (FIPS 201 end-point)	Two Years
800-8085	SmartID® ISO 14443-4 PIVII Keypad Reader (FIPS 201 end-point compliant), GSA	Two Years
800-8050	SmartTOUCH™ ISO 14443-3 Mifare Biometric fingerprint reader	One Year
800-8051	SmartTOUCH™ ISO 14443-3 DESFire Biometric fingerprint reader (FIPS 201)	One Year
800-8052	SmartTOUCH™ ISO 14443-4 DESFire Biometric fingerprint reader	One Year
800-8055	SmartTOUCH™ ISO 14443-3 Mifare Biometric fingerprint reader with Keypad	One Year
800-8056	SmartTOUCH™ ISO 14443-4 DESFire Biometric fingerprint reader with Keypad	One Year
800-8057	SmartTOUCH™ ISO 14443-4 DESFire Biometric fingerprint reader with Keypad	One Year
800-8100	SmartTRANS® ISO 14443-4 MIFARE, DESFire or PIVII	Two Years
800-8110	SmartTRANS® ISO 14443-4 MIFARE, DESFire or PIVII with Keypad	Two Years
8030	SmartID® Reader, GEN 2	Lifetime
8031	SmartID® Keypad Reader, GEN 2	Lifetime
8100	SmartTRANS® HID Prox, Reader, GEN 2	Lifetime
8101	SmartTRANS® HID Prox, Keypad Reader, GEN 2	Lifetime
501-7753	SmartID® ProxBurn Mifare card & tag prgm software, incl. prgm hardware (RS232)	Two Years
501-7756	SmartID® ReaderTools 2003 Kit, incl. programming hardware (USB)	Two Years

19. Other Integrated Engineering Product (13.56 MHz & 125 kHz)

Base No.	Product Name	Warranty Period
800-1083	Classic Line ISO 14443-3 CSN Reader - RS232 STX-ETX	Two Years
800-1076	Classic Line ISO 14443-3 CSN Reader - C&D / Wiegand	Two Years
800-1090	Classic Line ISO 14443-3 Mifare Sector	Two Years
800-1075	Mifare Serial number reader board (C&D / Wiegand), internal antenna	*
800-1076	ISO 14443-4 serial/C&D/WG 8-pin interface reader board, internal antenna	*
800-1087	ISO 14443-4 (T=CL or PCSC/CID) reader board, USB, internal antenna	*
800-1089	Module - ISO14443-3 - C&D, Wiegand or Serial	*
800-8011	PCB Hitag 1 & 2 - Read/Write (RS232)	*
800-8013	PCB Hitag 1 & 2 - Read Only (C&D/Wiegand)	*
800-8022	Module - EM4102 - (read Only C&D/Wiegand)	*
501-7755	Proxburn Hitag 1&2 card & tag programmer including software (RS232)	Two Years
800-9261	Classic EM4102 reader (read only, C&D, Wiegand)	Two Years
800-8002	EM4102 reader (read only, C&D, Wiegand)	Two Years
800-8001	EM4102 reader with Keypad (read only, C&D, Wiegand)	Two Years
800-8015	Hitag 1 & 2 reader (read only, C&D, Wiegand)	Two Years
800-1063	Desktop card size reader, ISO 14443-4, USB	Two Years
800-8240	Desktop card size reader, ISO 14443-4, RS232 / Wiegand / C&D	Two Years

* HID's warranty does not cover Contact Smart Chip Modules/Reader Modules/Code Strips/Tags/Inserts embedded into other products.