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**HID Global Corporation**  
**General Sales Policy** Version 4.2  
(formerly "Global Sales Policy")

**Effective Date: April 8, 2013.**

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THE TERMS AND CONDITIONS CONTAINED IN THIS HID GLOBAL CORPORATION GENERAL SALES POLICY (THIS "**SALES POLICY**") TOGETHER WITH ANY APPLICABLE RIDER, ACCOUNT APPLICATION, AND GENERAL WARRANTY POLICY (located at <http://www.hidglobal.com/GlobalPolicies>) (COLLECTIVELY, THIS "**AGREEMENT**") APPLY TO ALL SALES BY HID GLOBAL CORPORATION AND ITS AFFILIATED ENTITIES (COLLECTIVELY, "HID") TO YOU ("YOU" OR "YOUR"). THE AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT AND UNDERSTANDING BETWEEN HID AND YOU WITH RESPECT TO ALL MATTERS WHICH ARE REFERRED TO THEREIN; AND SUPERSEDES ANY PREVIOUS AGREEMENT(S) BETWEEN THE PARTIES IN RELATION TO THE MATTERS REFERRED TO THEREIN. YOU FURTHER AGREE THAT ALL OTHER TERMS AND CONDITIONS (INCLUDING BUT NOT LIMITED TO ANY TERMS AND CONDITIONS OF ANY PURCHASE ORDER OR OTHER DOCUMENT ISSUED BY YOU IN CONNECTION WITH AN ORDER OR PURCHASE), AND ALL PURPORTED VARIATIONS OR MODIFICATIONS THERETO, EXCEPT AS ISSUED BY HID AS DESCRIBED HEREIN BELOW, ARE EXPRESSLY EXCLUDED, REJECTED BY HID AND ARE OF NO FORCE OR EFFECT, UNLESS OTHERWISE EXPRESSLY AGREED BY AN INSTRUMENT IN WRITING SIGNED BY HID AND YOU.

HID'S OFFER TO MAKES SALES TO YOU AND HID'S ACCEPTANCE OF YOUR OFFER TO MAKE PURCHASES FROM HID ARE EXPRESSLY CONDITIONAL ON YOUR ASSENT TO THE "**GENERAL TERMS**" APPEARING IN PART I, AND THE ADDITIONAL TERMS APPEARING IN PART II, "**RESELLER TERMS**," WHICH SHALL ALSO APPLY TO YOU IF YOU ENGAGE IN THE RESALE OR ANY OTHER FORM OF REDISTRIBUTION OF ITEMS PURCHASED FROM HID, AND ANY APPLICABLE RIDER. HID AND YOU MAY BE REFERRED TO HEREIN INDIVIDUALLY AS A "**PARTY**" OR COLLECTIVELY AS THE "**PARTIES**."

**HID RESERVES THE RIGHT TO AMEND ITS SALES POLICY, PRICE BOOK AND GENERAL WARRANTY POLICY FROM TIME TO TIME. ANY SUCH AMENDMENT WILL BE REGARDED AS APPROVED UPON RECEIPT OF WRITTEN NOTICE (INCLUDING PRINTABLE EMAIL) TO YOU, UNLESS YOU SEND AN OBJECTION IN WRITING (INCLUDING EMAIL) WITHIN SIX WEEKS AFTER RECEIPT OF SUCH NOTICE. HID WILL ADVISE YOU IN THE NOTICE REGARDING SUCH EFFECTS. ANY SUCH AMENDMENT WILL TAKE EFFECT ONCE SUCH AMENDED TERMS ARE REGARDED AS APPROVED AS MENTIONED ABOVE, AND SHALL THEREAFTER APPLY TO ALL ORDERS RECEIVED FROM YOU.**

**YOU AGREE BY YOUR PLACEMENT OF ORDERS WITH HID THAT THE AGREEMENT APPLIES TO FORM THE ENTIRE AGREEMENT THAT GOVERNS EACH ORDER SUBMITTED BY YOU TO HID. PRIORITY OF TERMS SHALL BE GIVEN AS FOLLOWS: PRICE BOOK PAGES, GENERAL WARRANTY POLICY, APPLICATION AND SALES POLICY.**

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**PART I. General Terms**

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**A. Credit Limit; Payment Terms**

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**1. Credit Limit:**

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

**2. Payment Terms:**

YOU shall pay all undisputed portions of HID's invoices within thirty (30) days from the date on the invoice. Except as expressly provided, all fees paid are non-refundable, and YOU have no right to set-off any amount invoiced to YOU. Any notice of error in an HID invoice must be received by HID in writing at the HID address shown on the relevant invoice within ten (10) business days of the date on the invoice, after which period the HID invoice shall be deemed undisputed.

## HID Global General Sales Policy

Payments will be made only in the currency listed on HID's invoice and to the address or account listed on the front of HID's invoice. **HID's pricing is based on the 30 day payment terms. HID's acceptance of any deviation from these payment terms is at HID's sole discretion and may be conditioned on YOUR acceptance of a pricing adjustment reflecting the increase in the associated cost or risk to HID.**

Undisputed amounts which remain unpaid for thirty (30) days or more after the date on the invoice are overdue. In addition to any other available remedy, HID reserves the right to suspend shipment(s), terminate orders or its offer to make sales to YOU, and charge a monthly interest rate of 1.5% (or the maximum permitted by applicable law, whichever is less) on those undisputed amounts remaining overdue.

YOU hereby grant and HID reserves a purchase money security interest in each Product purchased by YOU, and in any proceeds thereof, for the amount of its purchase price plus any interest which may be accrued thereon. YOU authorize 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. If YOU default under any obligation in this subsection 2, "Payment Terms," YOU agree to make products available so that HID can repossess them without a breach of the peace. In the event HID incurs collection costs or institutes suit to collect any amount owed by YOU under this Agreement, YOU agree to pay HID's collection costs (including, without limitation, its attorneys' fees and court costs).

### **B. Prices**

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The prices for items sold hereunder will be the prices shown on the HID order confirmation or any applicable Price Book information provided to YOU and in effect at the time HID fulfils YOUR order, or as otherwise agreed on between YOU and HID; provided, however, that if such prices are based on the purchase of a particular volume and YOU fail to purchase such volume, HID shall have the right (in addition to any other remedies available at law) to collect from YOU the difference between the price paid by YOU and the price for such items commensurate with the quantity actually purchased by YOU. HID's prices are subject to change without notice.

### **C. Taxes**

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Prices do not include any national, state, local, or international property, license, privilege, sales, use, excise, gross receipts, VAT, duty or other like taxes relating to the sale, delivery, receipt, payment for or use of goods or services, including any interest, penalty and additional tax or other charge related to delay or failure to pay such amount ("Taxes"). If HID is required to collect such Taxes, such Taxes will be itemized separately on the invoice and paid by YOU. HID will accept a valid Tax exemption certificate from YOU, if applicable. If an exemption certificate previously accepted by HID is not recognized by the governmental taxing authority involved, YOU agree to promptly reimburse HID for any Taxes covered by such exemption certificate which HID is required to pay.

### **D. Order Changes and Cancellation; Non-Warranty Standard Product Returns**

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#### **1. Standard Product:**

"**Standard Products**" are defined as Products that meet HID's published description and specifications. Standard Products may contain HID's then current version of standard firmware and are listed on HID's published price list in effect at the time the order is placed.

**None of the following are considered Standard Products: cards (other than "UltraCard" magnetic stripe cards, but including without limitation VeriMark and HoloMark cards), custom thermal transfer film, custom holographic overlaminates, custom holographic INTM film, tags, keys, and transponders.** For additional description of items that are outside of the scope of Standard Products, please see the definition of "Customer Products," below.

YOU may submit changes and cancellations to orders for Standard Product at no additional cost to YOU within twenty-four (24) hours of HID's confirmation of YOUR order. Thereafter, order changes shall be subject to a surcharge of ten percent (10%) of the then current chargeable amount for the affected portion of the order; and order cancellations shall be subject to a surcharge of twenty percent (20%) of the then current chargeable amount for the affected portion of the order. Imposition of any of the aforementioned surcharges shall be at HID's sole discretion.

#### **2. Custom Products:**

"**Custom Products**" are defined as (a) magnetic stripe cards (except "UltraCard" branded magnetic stripe cards) (b) preprogrammed cards, tags, keys, and transponders, (c) cards, tags, keys and transponders with custom marking and/or printing, and (d) any Product subject to custom-engineering or modification. By way of example only, custom-engineering or modification may include, but are not limited to, such things as custom

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firmware, Product housings that are not HID's published standard colors or sizes, and changes made to a Product when it is received by Reseller, including changes to housings, programming, and operating parameters.

ORDERS FOR CUSTOM PRODUCTS ARE NON-CANCELABLE. ORDERS FOR CARDS OR OTHER CREDENTIALS PLACED BY YOU UNDER HID'S PRIORITY PLUS SERVICE PROGRAM ARE NON-CHANGEABLE AND NON-CANCELABLE.

Except for custom overlaminates, thermal transfer film, VeriMark brand cards, HoloMark brand cards, holographic HDP film and security OVD cards, YOU may submit to HID requested changes to Custom Products orders at no charge to YOU up to four (4) weeks prior to HID's designated shipment date. Non-exempt Cards/tags with custom artwork require an art proof and purchase order by YOU and an order acceptance by HID. Custom Products require a signed approval of the Product specification by both HID and YOU, a purchase order by YOU, and an order acceptance by HID. Changes made to Custom Product orders received by HID within four (4) weeks of HID's designated shipment date shall be subject to a twenty percent (20%) surcharge plus any additional fees or costs related to YOUR requests for Product redesign or modification.

### 3. Non-Warranty Product Returns:

Subject to the conditions described below, HID will issue to Customer a credit equal to the purchase price (treatment of associated taxes, VAT, or the like subject to applicable law), minus a twenty percent (20%) restocking charge, for all HID approved returns for Standard Products only.

Standard Products may only be returned for credit within one (1) year from the original purchase order date. The Standard Product must be new and in complete, undamaged, 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.

**Except for valid warranty claims, HID does not accept returns of any Custom Products (including, without limitation, any pre-programmed credentials, custom cards, tags, keys, and transponders).**

The process for submitting Standard Products to HID for a reason other than a warranted Product defect is as follows:

- i. Customer shall 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 Request Form can be obtained from HID's web site at <http://www.hidglobal.com/rma> and used for submission of this request.
- ii. Customer shall provide HID Customer Service with the following:
  - a. The part number and serial number of the Standard Product(s). The reason the Standard Product is being returned.
  - c. The original Purchase Order number.
- iii. Upon confirmation of the return request, HID will issue an RMA number to Customer.
- iv. Customer must ship the Standard Product(s), with the RMA number clearly marked on the package, to an HID Sales Office within thirty (30) days of HID's issuance of an RMA number. Any package returned to HID without an RMA number or with a ship date later than thirty (30) days after issuance of HID's RMA number will be refused and shipped back to Customer.
- v. Customer will be issued a credit for the total purchase price of the appropriately returned Standard Product(s), less the 20% restocking charge.

### 4. Product Warranty:

For applicable Product warranty, please see the General Warranty Policy available at <http://www.hidglobal.com/GlobalPolicies> or from your local sales representative, and any relevant warranty terms included with the Product documentation.

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## **E. Order Acceptance and Shipment (Product Availability)**

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HID is under no obligation to with respect to YOUR order until HID confirms to YOU its acceptance of the order. Upon acceptance of an order by HID and the satisfaction of all HID prerequisites prior to delivery, HID shall ship Product and any associated product documentation to YOU, by full or partial shipment, in tangible form or via electronic delivery (if available), in accordance with HID's order confirmation. All Product and documentation delivered in a tangible form shall be shipped FCA (INCOTERMS 2000) HID's site; and shall be deemed shipped upon being made available to YOUR carrier at HID's site. Title (except as for the aforementioned security interest retained by HID) and risk of loss or damage to hardware product, documentation media, and software media shall pass from HID to YOU upon presentation of the hardware product, documentation media or software media to YOUR carrier at HID's site. Fees associated with customs formalities are YOUR sole responsibility. **All documentation and software content is licensed (not sold) under the terms accompanying the documentation or software.**

HID will assign estimated shipment dates on orders based on the availability of Product and HID's acceptance of YOUR 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. If YOU request or otherwise cause HID to store products beyond the assigned shipment date, YOU will be invoiced for the total price of the stored products and the costs of the storage and insurance on such products. **HID shall have no liability to YOU for delayed or cancelled shipments due to HID's compliance with applicable trade or export regulations or sanctions.**

## **F. Minimum Order Requirements and Packaging**

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The minimum acceptable order value is U.S. \$100.00 (or its equivalent in local currency) for all orders. The minimum Proximity/*iCLASS/magnetic stripe* card/tag/key order quantity is 100 units for all standard cards/tags/keys, 500 units 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 units for all standard ProxPass® tags. The minimum Wiegand card/tag/key order quantity is 100 units for all standard Wiegand cards/tags/keys. Wiegand card and tag Product shipments are subject to a 5% variation from ordered quantity.

HID will package the Products in accordance with its customary practices. YOU shall pay or reimburse HID for the costs of any special packaging requested by YOU. HID shall accommodate any such request in its sole discretion.

## **G. Product Availability and Design**

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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 that do not affect the form, fit or function of the Product without prior notice to YOU. In any such event, HID will not be required to change Product previously sold to YOU. No part of this paragraph will be deemed to affect the obligation of HID to fill orders previously accepted.

## **H. Limitations of Liability**

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**TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE TOTAL LIABILITY OF HID AND ITS SUPPLIERS FOR ALL DIRECT DAMAGES RELATING TO OR ARISING FROM THIS AGREEMENT, 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 (WHETHER ACTIVE, AFFIRMATIVE OR GROSS), STRICT LIABILITY, OR OTHER TORT WITH RESPECT TO THE PRODUCTS, OR ANY SERVICE PROVIDED IN CONNECTION WITH THE PRODUCTS OR OTHERWISE, SHALL IN NO EVENT EXCEED THE AMOUNT HID RECEIVED FROM YOU FOR THE PARTICULAR PRODUCT OR SERVICE GIVING RISE TO THE LIABILITY. 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.**

**TO THE EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL HID BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO LOSS OF BUSINESS, REVENUE, PROFITS, GOODWILL, USE, DATA OR OTHER ECONOMIC ADVANTAGE AND ANY NON-ECONOMIC LOSSES, REGARDLESS OF THE LEGAL THEORY ON WHICH ANY SUCH DAMAGES MAY BE BASED AND EVEN IF A PARTY HAS BEEN ADVISED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES. These limitations shall apply notwithstanding the failure of the essential purpose of any limited remedy specified herein.**

## **I. Confidentiality**

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## HID Global General Sales Policy

A Party receiving (the “**Recipient**”) confidential information, proprietary information that is not generally known to the public, information that is labeled as confidential or information that is disclosed under circumstances such that a reasonable person would know to treat such information as confidential (collectively, “**Confidential Information**”) must keep it confidential using the same degree of care that it exercises with respect to its own information of like importance but in no event less than reasonable care, and may disclose and/or use it only for the purposes for which it was provided under the Agreement. For purposes of these Terms of Sale, information disclosed in a New Account Application Form and Price Book information shall be considered Confidential Information. Except as expressly provided in these Terms of Sale, Confidential Information may be disclosed only to a Recipient’s employees or contractors obligated to the Recipient under similar confidentiality restrictions and only for the purposes for which it was provided. These obligations do not apply to information which: (a) is rightfully obtained by the Recipient without breach of any obligation to maintain its confidentiality; (b) is or becomes known to the public through no act or omission of the Recipient; or (c) the Recipient develops independently without using Confidential Information of the disclosing Party. A disclosure of Confidential Information by the Recipient in response to a valid court or governmental order shall not be considered a breach of these Terms of Sale or a waiver of confidentiality for other purposes; provided, however, the Recipient shall give the disclosing Party prior written notice of such order and shall provide reasonable assistance so as to afford the disclosing Party the opportunity to object or obtain a suitable protective order.

Because of the unique nature of the Confidential Information, each Party agrees that the disclosing Party may suffer irreparable harm in the event the Recipient fails to comply with its confidentiality obligations under this Agreement, and that monetary damages will be inadequate to compensate the disclosing Party for such breach. Accordingly, the Recipient agrees that the disclosing Party will, in addition to any other remedies available to it at law or in equity be entitled to seek injunctive relief to enforce such confidentiality obligations.

### **J. Ownership and Third Party Technologies.**

**1. Ownership.** HID and its licensors retain all right, title and interest in any software product, firmware, documentation and any HID trademarks made available to YOU under this Agreement; all translations and derivatives works of the foregoing; and all HID intellectual property rights embodied in or relating to the foregoing as well as all HID intellectual property rights embodied in or relating to the HID hardware. All software is licensed, not sold. Any good will arising from YOUR use of the HID trademarks will inure solely to the benefit of HID. No right or license is granted to YOU except as expressly set forth herein and HID hereby reserves all rights not expressly granted to YOU in this Agreement. YOU shall take no action that might impair in any way any right, title, or interest of HID in or to the software, firmware, documentation or trademarks or other HID intellectual property or confidential information made available to YOU. YOU agree to maintain the copyright, trademark and other notices that appear on the HID items and associated media.

**2. Third Party Technologies.** The Product may include or be bundled with other software programs licensed under different terms and/or licensed by a vendor other than HID. Use of any software programs accompanied by a separate license agreement is governed by that separate license agreement. Any third party software that may be provided with the Product is included for use at Your option. HID is not responsible for any third party’s software and shall have no liability for Your use of third party software.

### **K. Services**

If YOU are purchasing any services from HID (the “**Services**”), either directly or indirectly through HID’s sales channel, unless YOU and HID have signed a written agreement to the contrary, the following terms shall apply to those Services. HID warrants that all Services will be performed in a professional manner consistent with generally accepted industry standards. If there is a breach of the foregoing warranty, YOUR sole and exclusive remedy, and HID’s sole and exclusive liability, will be to reperform the Services at no additional charge to YOU. For the avoidance of doubt, the limitation and exclusions of liability in Section J above shall also apply to any Services. If any inventions, technology, developments or other work product (collectively, “**Work Product**”) result from the Services, HID shall own all right, title and interest in and to such Work Product. All Work Product and Services shall be deemed accepted upon delivery or completion of the Services, as applicable.

### **L. Miscellaneous**

**1. Compliance with Law.** Each Party shall comply with all applicable laws, ordinances, rules and regulations, and shall obtain any and all permits, licenses, authorization, and/or certificates that may be required in any jurisdiction or any regulatory or administrative agency in connection with the sale, use and/or operations of items purchased from HID. Regardless of any disclosure made by YOU to HID of an ultimate destination of the Product, YOU agree not to export either directly or indirectly any Product or system incorporating such Product without first obtaining a license to export or re-export from the United States Government, as may be required and to comply with the United States Government export regulations as applicable.

## HID Global General Sales Policy

**2. Independent Contractor.** Nothing in this Agreement is intended to create a partnership, franchise, joint venture, agency, or a fiduciary or employment relationship. Neither Party may bind the other Party or act in a manner which expresses or implies a relationship other than that of independent contractor. Except as otherwise set forth herein, each Party shall bear its own costs and expenses in performing this Agreement.

**3. Governing Law, Venue and Attorney Fees.** This Agreement shall be construed and interpreted in accordance with the laws of the State of California without giving effect to California's conflicts of laws principles thereof. Any action, suit or proceeding relating to these Terms of Sale shall be brought in the appropriate federal or state court location in Orange County, California, and YOU hereby consent to such jurisdiction. In the event of any such action, suit or proceeding, the prevailing party shall be entitled to receive from the other party its attorney's fees, costs and expenses incurred in connection therewith. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement.

**4. Assignment.** This Agreement will be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns; provided, however, that neither Party shall assign any of its rights, obligations, or privileges (by operation of law or otherwise) hereunder without the prior written consent of the other Party. Notwithstanding the foregoing, however, (i) either Party may assign this Agreement to a successor in interest (or its equivalent) of all or substantially all of its relevant assets, whether by sale, merger, or otherwise, provided that YOU may not assign this Agreement to a competitor of HID without HID's express written consent; and (ii) HID may assign this Sales Policy to any of its affiliated companies. Any attempted assignment in violation of this section will be void and of no effect.

**5. Force Majeure.** Neither Party shall be liable for failure to fulfill its obligations under this Agreement or for delays in delivery due to causes beyond its reasonable control, including but not limited to act of God, acts or omissions of the other Party, man-made or natural disasters, material shortages, strikes, delays in transportation or inability to obtain labor or materials through its regular sources. The time for performance of any such obligation shall be extended for the time period lost by reason of the delay.

**6. Notices.** All notices provided for pursuant to this Agreement shall be given in writing and shall be effective when either served by personal delivery, or deposited, postage prepaid, in the United States registered or certified mail addressed to the Parties at their respective addresses set forth in the applicable account application, or to such other address or addresses as either Party may later specify by written notice to the other.

**7. Severability.** If any provision of this Agreement shall be held by a court of competent jurisdiction to be contrary to law or public policy the remaining provisions shall remain in full force and effect.

**8. Waiver.** No term or provision hereof shall be deemed waived and no breach consented to or excused, unless such waiver, consent or excuse shall be in writing and signed by the Party claimed to have waived or consented. Should either Party consent, waive, or excuse a breach by the other Party, such shall not constitute consent to, waiver of, or excuse of any other different or subsequent breach whether or not of the same kind as the original breach.

**9. Press Releases.** Any and all press releases and other public announcements relating to the existence or terms of this Agreement or the underlying transactions between the Parties, or referring to the other Party in relation to this Agreement, including the method and timing of such announcements, must be approved in advance by the Parties in writing.

**10. Conflicting Terms; Entire Agreement.** This Agreement constitutes the entire understanding and agreement between the Parties hereto with respect to the subject matter and merge and supersede all prior communications, understanding and agreements, written or oral; and no amendments shall become effective without written agreement signed by the Parties hereto. If any conflict shall arise between the terms appearing in the component documents of this Agreement and any Exhibit or Schedule attached hereto or duly authorized and incorporated by reference, the terms appearing in the Exhibit or Schedule shall prevail.

# HID Global General Sales Policy

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## PART II. Reseller Terms

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**The following additional terms apply to YOU if YOU engage in the resale or any other redistribution of HID items.**

### **M. License Grant**

Subject to YOUR compliance with the terms and conditions of this Agreement, HID hereby grants YOU a non-exclusive, non-transferable, non-sublicenseable (except for sub-distribution as may be provided herein) limited right and license during the term of this Agreement: to use HID trademarks as contained on or within the Products or their accompanying documentation in connection with YOUR permitted marketing, resale and distribution of the Products and to sublicense such rights for the purposes of authorizing subdistributors to do the same. Any use of HID's trademarks by YOU independently of the HID items or associated documentation on which the HID trademarks are supplied to YOU is subject to the prior written approval of HID and must in all cases be made in accordance with HID's standard Trademark Policy and any trademark usage specifications which may be modified and provided by HID from time to time.

### **N. YOUR Restrictions and Covenants**

YOU represent, warrant, and agree: (a) not to modify or create any derivative work of any Product or any portion thereof without HID's prior written consent; (b) not to decompile, reverse engineer or otherwise attempt to derive source code (or the underlying ideas, algorithms, structure or organization) from any software provided to YOU by HID or any firmware provided with HID hardware; (c) to take such security measures to protect HID's rights with respect to the products, firmware and HID trademarks as YOU uses to protect its own software, trademark, or other rights, which measures shall at least be reasonable under the circumstances; (d) to comply with the U.S. Foreign Corrupt Practices Act; and (e) to comply with all applicable export laws, restrictions, and regulations of any United States or foreign agency or authority and not to export or re-export, or allow the export or re-export of any product, technology or information it obtains from HID pursuant to these Terms of Sale in violation of such laws, restrictions or regulations.

### **O. YOUR Marketing Obligations**

In marketing and performing under this Agreement, YOU shall: (a) not engage in any deceptive, misleading, illegal, or unethical practices that may be detrimental to HID or to the HID items provided to YOU; (b) not make any representations, warranties, or guarantees to customers concerning the HID items that are inconsistent with or in addition to those made in this Sales Policy or in documentation or written marketing materials provided to YOU by HID; (c) shall not advertise the sale of any HID product to end users for less than the price HID provides to YOU; and (d) comply with all applicable federal, state, and local laws and regulations in performing its duties with respect to the Product. YOU shall be solely liable for any warranties or representations YOU make regarding the Products beyond those warranties expressly offered to YOU by HID or otherwise contained in HID's generally available marketing materials, unless expressly agreed to in writing by an authorized representative of HID.

### **P. End User Support and Technical Certification**

- (a) YOU shall provide to YOUR end user customers of the Products first line responsibility for installation, operation and support of the HID items;
- (b) YOUR authorization to resell the Products is additionally conditioned upon YOUR compliance with HID's technical certification requirements and YOUR maintenance of technically certified personnel and related facilities, if any, necessary to provide direct support to its end user customer of the Products.
- (c) YOU shall be responsible for all fees and expenses relating to YOUR attendance of HID training (unless otherwise expressly excluded herein), including but not limited to the costs associated with YOUR travel, food and lodging when attending training at HID's facilities; or HID's reasonable travel, food and lodging costs if YOU request HID to provide training at YOUR facilities.

### **Q. Subdistributors**

Subject to YOUR compliance with the terms and conditions of this Agreement, YOU may resell and distribute the Products through subdistributors, provided, however, that each such subdistributor must, prior to such appointment, enter into an enforceable written agreement with YOU that binds the subdistributors to obligations at least as broad as those of YOURS under these Terms of Sale and restrictions at least as protective of HID and the HID's intellectual property rights as those contained in this Sales Policy.

# HID Global General Sales Policy

## R. Indemnification

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1. **Indemnification Obligation.** To the maximum extent permitted by applicable law, YOU agree to, and shall, indemnify, defend and hold HID and its affiliated parties, and their directors, shareholders, officers, agents, employees, successors and assigns from any and all third party claims, suits, proceedings, and the associated costs and fees (including reasonable attorneys' fees and expenses) to the extent that such claims arise from or are related in any way to, directly or indirectly, YOUR use, offer for sale, sale, distribution of the HID Product (a "Claim").

2. **Indemnification Procedure.** HID shall notify YOU of any such Claim, and YOU shall have the right to assume full control over the defense of such Claim (including any settlements); provided however, that: (a) YOU shall keep HID informed of, and consult with HID in connection with the progress of such litigation or settlement; and (b) YOU shall not have any right, without HID's written consent, (which shall not be unreasonably withheld), to settle any such Claim if such settlement arises from or is part of any criminal action, suit or proceeding or contains a stipulation to or admission or acknowledgment of, any liability or wrongdoing (whether in contract, tort or otherwise) on the part of HID, or requires any specific performance or non-pecuniary remedy by HID.

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**HID Global Corporation  
General Sales Policy Rider:  
Sales of Product and Services by HID Asia Pacific Ltd.**

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Together with the main text of the "HID Global Corporation General Sales Policy" the following provisions shall apply to all sales of product and services made by HID Asia Pacific Ltd. The provisions provided herein shall replace, in their entirety, the respective provisions contained in the main text of the "HID Global Corporation General Sales Policy," as set forth below (for purposes of clarity, no provision of the General Sales Policy main text is deemed removed unless expressly replaced by corresponding provisions herein or described as deleted in this Rider):

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**PART I. General Terms**

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**A. Credit Limit; Payment Terms**

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**2. Payment Terms:**

YOU shall pay all undisputed portions of HID's invoices within thirty (30) days from the date on the invoice. Except as expressly provided, all fees paid are non-refundable, and YOU have no right to set-off any amount invoiced to YOU. Any notice of error in an HID invoice must be received by HID in writing at the HID address shown on the relevant invoice within ten (10) business days of the date on the invoice, after which period the HID invoice shall be deemed undisputed.

Payments will be made only in the currency listed on HID's invoice and to the address or account listed on the front of HID's invoice. **HID's pricing is based on the 30 day payment terms. HID's acceptance of any deviation from these payment terms is at HID's sole discretion and may be conditioned on YOUR acceptance of a pricing adjustment reflecting the increase in the associated cost or risk to HID.**

Undisputed amounts which remain unpaid for thirty (30) days or more after the date on the invoice are overdue. In addition to any other available remedy, HID reserves the right to suspend shipment(s), terminate orders or its offer to make sales to YOU, and charge a monthly interest rate of 1.5% (or the maximum permitted by applicable law, whichever is less) on those undisputed amounts remaining overdue.

YOU hereby grant and HID reserves a lien on each Product purchased by YOU, and in any proceeds thereof, for the amount of its purchase price plus any interest which may be accrued thereon. Payment in full of the purchase price of the Product will release the lien on that Product. If YOU default under any obligation in this subsection 2, "Payment Terms," YOU agree to make products available so that HID can repossess them without a breach of the peace. In the event HID incurs collection costs or institutes suit to collect any amount owed by YOU under this Agreement, YOU agree to pay HID's collection costs (including, without limitation, its attorneys' fees and court costs). HID's prices are subject to change without notice.

**G. Shipment (Product Availability)**

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Upon acceptance of an order by HID and the satisfaction of all HID prerequisites prior to delivery, HID shall ship Product to YOU, by full or partial shipment, in tangible form or via electronic delivery (if available), the Product and any associated product documentation, in accordance with HID's order confirmation. All Product and documentation delivered in a tangible form shall be shipped FCA (INCOTERMS 2000) HID's site; and shall be deemed shipped upon being made available to YOUR carrier at HID's site. Title (except as for the aforementioned lien retained by HID) and risk of loss or damage to hardware product, documentation media, and software media shall pass from HID to YOU upon presentation of the hardware product, documentation media or software media to YOUR carrier at HID's site. Fees associated with customs formalities are YOUR sole responsibility. **All documentation and software content is licensed (not sold) under the terms accompanying the documentation or software.**

HID will assign estimated shipment dates on orders based on the availability of Product and HID's acceptance of YOUR 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. If YOU request or otherwise cause HID to store products beyond the assigned shipment date, YOU will be invoiced for the total price of the stored products and the costs of the storage and insurance on such products.

# HID Global General Sales Policy

## H. Limitations of Liability

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, (IN PARTICULAR, THE CONTROL OF EXEMPTION CLAUSES ORDINANCE (CAP 71, LAWS OF HONG KONG)), THE TOTAL LIABILITY OF HID AND ITS SUPPLIERS FOR ALL DIRECT DAMAGES RELATING TO OR ARISING FROM THIS AGREEMENT, 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, SHALL IN NO EVENT EXCEED THE AMOUNT HID RECEIVED FROM YOU FOR THE PARTICULAR PRODUCT OR SERVICE GIVING RISE TO THE LIABILITY. 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.

TO THE EXTENT PERMITTED BY APPLICABLE LAW, (IN PARTICULAR, THE CONTROL OF EXEMPTION CLAUSES ORDINANCE (CAP 71, LAWS OF HONG KONG)), IN NO EVENT SHALL HID BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO LOSS OF BUSINESS, REVENUE, PROFITS, GOODWILL, USE, DATA OR OTHER ECONOMIC ADVANTAGE AND ANY NON-ECONOMIC LOSSES, REGARDLESS OF THE LEGAL THEORY ON WHICH ANY SUCH DAMAGES MAY BE BASED AND EVEN IF A PARTY HAS BEEN ADVISED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES. These limitations shall apply notwithstanding the failure of the essential purpose of any limited remedy specified herein.

## L. Miscellaneous

**1. Compliance with Law.** Each Party shall comply with all applicable laws, ordinances, rules and regulations, and shall obtain any and all permits, licenses, authorization, and/or certificates that may be required in any jurisdiction or any regulatory or administrative agency in connection with the sale, use and/or operations of items purchased from HID. YOU agree not to export either directly or indirectly any Product or system incorporating such Product without first obtaining a license to export or re-export from the relevant government authority, as may be required and to comply with the relevant government export regulations as applicable.

**3. Governing Law, Venue and Attorney Fees.** This Agreement shall be construed and interpreted exclusively in accordance with the laws of Hong Kong. Any action, suit or proceeding relating to these Terms of Sale shall be exclusively brought in the applicable court of Hong Kong. In the event of any such action, suit or proceeding, the prevailing party shall be entitled to receive from the other party its attorney's fees, costs and expenses incurred in connection therewith. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement.

**6. Notices.** All notices provided for pursuant to this Agreement shall be given in writing and shall be effective when either served by personal delivery, or deposited, postage prepaid, in Hong Kong registered or certified mail addressed to the Parties at their respective addresses set forth in the applicable account application, or to such other address or addresses as either Party may later specify by written notice to the other.

# HID Global Corporation General Sales Policy Rider: Sales of Product and Services by HID Global GmbH or HID Global Switzerland S.A.

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Together with the main text of the "HID Global Corporation General Sales Policy" the following provisions shall apply to all sales of product and services made by HID Global GmbH or HID Global Switzerland, S.A. The provisions provided herein shall replace, in their entirety, the respective provisions contained in the main text of the "HID Global Corporation General Sales Policy," as set forth below (for purposes of clarity, no provision of the General Sales Policy main text is deemed removed unless expressly replaced by corresponding provisions herein or described as deleted in this Rider):

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## **PART I. General Terms**

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### **A. Credit Limit; Payment Terms**

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#### **2. Payment Terms:**

YOU shall pay all undisputed portions of HID's invoices within thirty (30) days from the date on the invoice. Except as expressly provided, all fees paid are non-refundable, and YOU have no right to set-off any amount invoiced to YOU, except if a set-off shall be based on a undisputed claim or a claim decided finally by a court. Any notice of error in an HID invoice must be sent to HID at the HID address shown on the relevant invoice within six (6) weeks of the date of receipt of the invoice, after which period the HID invoice shall be deemed undisputed. HID shall advise YOU about such effects in the invoice.

Payments will be made only in the currency listed on HID's invoice and to the address or account listed on the front of HID's invoice. **HID's pricing is based on the 30 day payment terms. HID's acceptance of any deviation from these payment terms is at HID's sole discretion and may be conditioned on YOUR acceptance of a pricing adjustment reflecting the increase in the associated cost or risk to HID.**

Undisputed amounts which remain unpaid for thirty (30) days or more after the date on the invoice are overdue. In addition to any other available remedy, HID reserves the right to suspend shipment(s), terminate orders or its offer to make sales to YOU, and charge a monthly interest rate of 1.5% (or the maximum permitted by applicable law, i.e., in general in accordance with Section 288 of the German Civil Code, whichever is less) on those undisputed amounts remaining overdue.

HID's prices are subject to change without notice, unless a certain price has been confirmed by order confirmation.

### **B. Prices**

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The prices for items sold hereunder will be the prices shown on the HID order confirmation or any applicable Price Book information provided to YOU and in effect at the time HID fulfils YOUR order, or as otherwise agreed on between YOU and HID; provided, however, that if such prices are based on the purchase of a particular volume as agreed with YOU and YOU fail to purchase such volume, HID shall have the right (in addition to any other remedies available at law) to collect from YOU the difference between the price paid by YOU and the price for such items commensurate with the quantity actually purchased by YOU.

### **D. Order Changes and Cancellation**

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#### **1. Standard Product:**

YOU may submit changes and cancellations to orders for Standard Product at no additional cost to YOU within twenty-four (24) hours of HID's confirmation of YOUR order. Thereafter, order changes shall be subject to a surcharge of ten percent (10%) of the then current chargeable amount for the affected portion of the order; and order cancellations shall be subject to a surcharge of twenty percent (20%) of the then current chargeable amount for the affected portion of the order. Imposition of any of the aforementioned surcharges shall be at HID's sole discretion. HID will advise YOU about such surcharges before carrying out an order change.

### **H. Limitations of Liability**

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## HID Global General Sales Policy

HID OR ITS SUPPLIERS SHALL ONLY BE LIABLE FOR THE VIOLATION OF AN OBLIGATION, THE PARTICULAR FULFILMENT OF WHICH IS OF PARTICULAR SIGNIFICANCE FOR THE ACHIEVEMENT OF THE CONTRACTUAL PURPOSE (CARDINAL OBLIGATION). IN SUCH CASE HID'S OR ITS SUPPLIERS' LIABILITY SHALL BE LIMITED TO THE REASONABLE FORESEEABLE DAMAGE WHICH CAN BE TYPICALLY EXPECTED TO ARISE WITHIN THE SCOPE OF THIS AGREEMENT. WHERE HID'S OR ITS SUPPLIERS' LIABILITY IS LIMITED TO THE REASONABLE FORESEEABLE DAMAGE, HID OR ITS SUPPLIERS SHALL ONLY BE LIABLE UNDER THIS AGREEMENT FOR DIRECT DAMAGES AND ITS LIABILITY SHALL IN NO EVENT EXCEED THE AMOUNT HID RECEIVED FROM YOU FOR THE PARTICULAR PRODUCT OR SERVICE GIVING RISE TO THE LIABILITY.

TO THE EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL HID BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO LOSS OF BUSINESS, REVENUE, PROFITS, GOODWILL, USE, DATA OR OTHER ECONOMIC ADVANTAGE AND ANY NON-ECONOMIC LOSSES, REGARDLESS OF THE LEGAL THEORY ON WHICH ANY SUCH DAMAGES MAY BE BASED AND EVEN IF A PARTY HAS BEEN ADVISED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES.

NOTHING IN THIS CLAUSE SHALL LIMIT HID'S OR ITS SUPPLIERS' LIABILITY FOR DAMAGES WHICH, FOR WHATEVER LEGAL REASON, WERE CAUSED WITH GROSS NEGLIGENCE OR WILFUL INTENT, FOR DAMAGES TO LIFE, BODY AND HEALTH AND FROM THE ACCEPTANCE OF A GUARANTEE OR OF A PRODUCT LIABILITY RISK OR WHICH OTHERWISE MAY NOT BE EXCLUDED BY MANDATORY STATUTORY LAWS.

### K. Services

If YOU are purchasing any services from HID (the "**Services**"), either directly or indirectly through HID's sales channel, unless YOU and HID have signed a written agreement to the contrary, the following terms shall apply to those Services. HID warrants that all Services will be performed in a professional manner consistent with generally accepted industry standards. If there is a breach of the foregoing warranty, YOUR sole and exclusive remedy, and HID's sole and exclusive liability, will be to reperform the Services at no additional charge to YOU. However, if HID is unable to correct any such defects after a reasonable period of time, YOU are entitled to assert YOUR rights provided by statutory laws. For the avoidance of doubt, the limitation and exclusions of liability in Section J above shall also apply to any Services. If any inventions, technology, developments or other work product (collectively, "**Work Product**") result from the Services, HID shall own all right, title and interest in and to such Work Product. All Work Product and Services shall be deemed accepted upon delivery or completion of the Services, as applicable.

### L. Miscellaneous

**1. Compliance with Law.** Each Party shall comply with all applicable laws, ordinances, rules and regulations, and shall obtain any and all permits, licenses, authorization, and/or certificates that may be required in any jurisdiction or any regulatory or administrative agency in connection with the sale, use and/or operations of items purchased from HID. Regardless of any disclosure made by YOU to HID of an ultimate destination of the Product, YOU agree not to export either directly or indirectly any Product or system incorporating such Product without first obtaining a license to export or re-export from the relevant authority, as may be required and to comply with the relevant export regulations as applicable.

**3. Governing Law, Venue and Attorney Fees.** This Agreement shall be construed and interpreted exclusively in accordance with the laws of Federal Republic of Germany. Any action, suit or proceeding relating to these Terms of Sale shall be exclusively brought in the courts of Frankfurt am Main, Germany. In the event of any such action, suit or proceeding, the prevailing party shall be entitled to receive from the other party its attorney's fees, costs and expenses incurred in connection therewith. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement.

**5. Force Majeure.** Neither Party shall be liable for failure to fulfill its obligations under this Agreement or for delays in delivery due to causes beyond its reasonable control, including but not limited to act of God, acts or omissions of the other Party, man-made or natural disasters, material shortages, strikes (other than strikes of the parties' personnel), delays in transportation or inability to obtain labor or materials through its regular sources. The time for performance of any such obligation shall be extended for the time period lost by reason of the delay.

**6. Notices.** All notices provided for pursuant to this Agreement shall be given in writing and shall be effective when either served by mail, or personal delivery addressed to the Parties at their respective addresses set forth in the applicable account application, or to such other address or addresses as either Party may later specify by written notice to the other.

## HID Global General Sales Policy

**7. Severability.** If any provision of this Agreement shall be held by a court of competent jurisdiction to be contrary to law or public policy or is otherwise held to be invalid or unenforceable in whole or in part the remaining provisions shall remain in full force and effect. In case of voidness or ineffectiveness of a provision, this provision shall be replaced by a provision suitable to achieve the economic purpose of the invalid provision. The same shall apply to any unintended gap in this agreement.

**11. Disposal of electrical and electronic equipment (“EEE”).** The return of waste electrical and electronic equipment (“WEEE”) for disposal, which falls under the scope of the German Electrical and Electronic Equipment Act (Gesetz über das Inverkehrbringen, die Rücknahme und die umweltverträgliche Entsorgung von Elektro- und Elektronikgeräten - ElektroG) or related provisions, shall take place solely at a so called “Entsorgungsstelle” (“**Place of Disposal**”) named by HID GLOBAL, unless YOU or YOUR customers dispose the WEEE themselves. YOU shall deliver the WEEE on YOUR own expenses.

YOU shall bind by contract YOUR commercial customers, to whom YOU pass on EEE delivered by HID GLOBAL, to the benefit of HID GLOBAL to dispose this WEEE after end of use solely at a Place of Disposal named by HID GLOBAL, unless YOU or YOUR commercial customers dispose the WEEE themselves. If YOU fail to do so, YOU shall indemnify HID GLOBAL from any and all costs arising from the transport of WEEE in order to dispose them including shipping, handling and packaging costs. HID GLOBAL’s right of indemnification does not prescribe until the end of a two year period after the end of use of the EEE. The two year period of suspension of the expiration of prescription does not begin until written notification of HID GLOBAL by YOU about the end of use of the EEE.

This Paragraph 11 applies to all new EEE put on the market in Germany by an HID entity after 13 August 2005.

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**HID Global Corporation  
General Sales Policy Rider:  
Sales of Product and Services by HID Corporation  
Limited (UK)**

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Together with the main text of the "HID Global Corporation General Sales Policy" the following provisions shall apply to all sales of product and services made by HID Corporation Limited (hereinafter referred to as "HID"). The provisions provided herein shall replace, in their entirety, the respective provisions contained in the main text of the "HID Global Corporation General Sales Policy," as set forth below (for purposes of clarity, no provision of the General Sales Policy main text is deemed removed unless expressly replaced by corresponding provisions herein or described as deleted in this Rider):

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**PART I. General Terms**

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**A. Credit Limit; Payment Terms**

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**1. Credit Limit:**

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

**2. Payment Terms:**

YOU shall pay all undisputed portions of HID's invoices within thirty (30) days from the date on the invoice. Except as expressly provided, all fees paid are non-refundable, and YOU have no right to set-off any amount invoiced to YOU. Any notice of error in an HID invoice must be received by HID in writing at the HID address shown on the relevant invoice within ten (10) business days of the date on the invoice, after which period the HID invoice shall be deemed undisputed.

Payments will be made only in the currency listed on HID's invoice and to the address or account listed on the front of HID's invoice. **HID's pricing is based on the 30 day payment terms. HID's acceptance of any deviation from these payment terms is at HID's sole discretion and may be conditioned on YOUR acceptance of a pricing adjustment reflecting the increase in the associated cost or risk to HID.**

Undisputed amounts which remain unpaid for thirty (30) days or more after the date on the invoice are overdue. In addition to any other available remedy, HID reserves the right to suspend shipment(s), terminate orders or its offer to make sales to YOU, and charge a monthly interest rate of 1.5% (or the maximum permitted by applicable law, whichever is less) on those undisputed amounts remaining overdue.

**E. Shipment (Product Availability)**

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HID is under no obligation to with respect to YOUR order until HID confirms to YOU its acceptance of the order. Upon acceptance of an order by HID and the satisfaction of all HID prerequisites prior to delivery, HID shall ship Product to YOU, by full or partial shipment, in tangible form or via electronic delivery (if available), the Product and any associated product documentation, in accordance with HID's order confirmation. All Product and documentation delivered in a tangible form shall be shipped FCA (INCOTERMS 2000) HID's site; and shall be deemed shipped upon being made available to YOUR carrier at HID's site. Risk of loss or damage to hardware product, documentation media, and software media shall pass from HID to YOU upon presentation of the hardware product, documentation media or software media to YOUR carrier at HID's site. Fees associated with customs formalities are YOUR sole responsibility. **All documentation and software content is licensed (not sold) under the terms accompanying the documentation or software.**

Ownership of the Products shall not pass to YOU until HID has received in full (in cash or cleared funds) all sums due to it in respect of the Products. Until ownership of the Products has passed to YOU, YOU shall:

- hold the Products on a fiduciary basis as HID's bailee;
- store the Products (at no cost to HID) separately from all your other Products or those of any third party in such a way that they remain readily identifiable as HID's property;
- not destroy, deface or obscure any identifying mark or packaging on or relating to the Products; and

## HID Global General Sales Policy

- Maintain the Products in satisfactory condition and keep them insured on HID's behalf for their full price against all risks to the reasonable satisfaction of HID. On request YOU shall produce the policy of insurance to HID.

YOU may resell the Products before ownership has passed to YOU solely on the following conditions:

- any sale shall be effected in the ordinary course of YOUR business at full mark value; and
- any such sale shall be a sale of HID's property on YOUR own behalf and YOU shall deal as principal when making such a sale.

YOUR right to possession of the Products shall terminate immediately if:

- YOU have a bankruptcy order made against YOU or make an arrangement or composition with YOUR creditors, or otherwise take the benefit of any statutory provision for the time being in force for the relief of insolvent debtors, or (being a body corporate) convene a meeting of creditors (whether formal or informal), or enter into liquidation (whether voluntary or compulsory) except a solvent voluntary liquidation for the purpose only of reconstruction or amalgamation, or have a receiver and/or manager, administrator or administrative receiver appointed of YOUR undertaking or any part thereof, or documents are filed with the court for the appointment of an administration over YOU or notice of intention to appoint an administrator is given by YOU or YOUR directors or by a qualifying floating charge holder (as defined in paragraph 14 of schedule b1 to the Insolvency Act 1986), or a resolution is passed or a petition is presented to any court for YOUR winding-up or for the granting of an administration order, or any proceedings are commenced relating to YOUR insolvency or possible insolvency; or
- YOU suffer or allow any execution, whether legal or equitable, to be levied on your property or obtained against YOU, or fail to observe or perform any of Your obligations under the Agreement or any other contract between HID and Yourself, or are unable to pay YOUR debts within the meaning of section 123 of the Insolvency Act 1986 or YOU cease to trade; or
- YOU encumber or in any way charge any of the Products.

HID shall be entitled to recover payment for the Products notwithstanding that ownership of any of the Products has not passed from HID. YOU grant HID, its agents and employees an irrevocable licence at any time to enter any premises where the Products are or may be stored in order to inspect them, or, where your right to possession has terminated, to recover them. Where HID is unable to determine whether any Products are the goods in respect of which Your right to possession has terminated, YOU shall be deemed to have sold all goods of the kind sold by HID to YOU in the order in which they were invoiced to YOU. On termination of the Agreement, howsoever caused, HID's (but not YOUR) rights contained in this section G shall remain in effect.

HID will assign estimated shipment dates on orders based on the availability of Product and HID's acceptance of YOUR 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. If YOU request or otherwise cause HID to store products beyond the assigned shipment date, YOU will be invoiced for the total price of the stored products and the costs of the storage and insurance on such products. **HID shall have no liability to YOU for delayed or cancelled shipments due to HID's compliance with applicable trade or export regulations or sanctions.**

### **H. Limitations of Liability**

**TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE TOTAL LIABILITY OF HID AND ITS SUPPLIERS FOR ALL DIRECT DAMAGES RELATING TO OR ARISING FROM THIS AGREEMENT, 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, SHALL IN NO EVENT EXCEED THE AMOUNT HID RECEIVED FROM YOU FOR THE PARTICULAR PRODUCT OR SERVICE GIVING RISE TO THE LIABILITY. HID WILL NOT BE RESPONSIBLE OR LIABLE FOR ANY DAMAGE OR LOSS RESULTING FROM THE OPERATION OR**

## HID Global General Sales Policy

**PERFORMANCE OF ANY THIRD PARTY PRODUCT OR ANY SYSTEMS IN WHICH AN HID PRODUCT IS INCORPORATED.**

**TO THE EXTENT PERMITTED BY APPLICABLE LAW HID SHALL NOT BE LIABLE FOR LOSS OF BUSINESS, REVENUE, PROFITS, GOODWILL, USE, DATA OR OTHER ECONOMIC ADVANTAGE OR FOR ANY SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT, REGARDLESS OF THE LEGAL THEORY ON WHICH ANY SUCH DAMAGES MAY BE BASED AND EVEN IF A PARTY HAS BEEN ADVISED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES. These limitations shall apply notwithstanding the failure of the essential purpose of any limited remedy specified herein."**

**NOTHING IN THIS AGREEMENT EXCLUDES OR LIMITS THE LIABILITY OF EITHER PARTY:**

- **FOR DEATH OR PERSONAL INJURY CAUSED BY THAT PARTIES NEGLIGENCE;**
- **FOR ANY MATTER FOR WHICH IT WOULD BE ILLEGAL FOR THAT PARTY TO EXCLUDE OR LIMIT ITS LIABILITY AT APPLICABLE LAW; OR**
- **FOR FRAUD OR FRAUDULENT MISREPRESENTATION**

### **L. Miscellaneous**

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**3. Governing Law, Venue and Attorney Fees.** This Agreement shall be construed and interpreted in accordance with the laws of England and Wales. Any action, suit or proceeding relating to this Agreement shall be brought in the appropriate court located in England, and YOU hereby consent to such jurisdiction. In the event of any such action, suit or proceeding, the prevailing party shall be entitled to receive from the other party its attorney's fees, costs and expenses incurred in connection therewith. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement. **No other person who is not a party to this Agreement shall have any rights, whether under the Contract (Rights of Third Parties) Act 1999 or otherwise, to enforce any terms of this Agreement.**

**6. Notices.** All notices provided for pursuant to this Agreement shall be given in writing and shall be effective when either served by personal delivery, or deposited, postage prepaid, in the United Kingdom registered or certified mail addressed to the Parties at their respective addresses set forth in the applicable account application, or to such other address or addresses as either Party may later specify by written notice to the other.

**10. Conflicting Terms; Entire Agreement.** This Agreement constitutes the entire understanding and agreement between the Parties hereto with respect to the subject matter and merge and supersede all prior communications, understanding and agreements, written or oral; and no amendments shall become effective without written agreement signed by the Parties hereto. YOU acknowledge that YOU have not relied upon any statement, promise or representation made or given by or on behalf of HID which is not set out in the Agreement, provided that nothing in the Agreement shall exclude or limit liability for fraudulent misrepresentation. If any conflict shall arise between the terms appearing in the component documents of this Agreement and any Exhibit or Schedule attached hereto or duly authorized and incorporated by reference, the terms appearing in the Exhibit or Schedule shall prevail.

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## **PART II. Reseller Terms**

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### **N. YOUR Restrictions and Covenants.**

YOU represent, warrant, and agree: (a) not to modify or create any derivative work of any Product or any portion thereof without HID's prior written consent; (b) not to decompile, reverse engineer or otherwise attempt to derive source code (or the underlying ideas, algorithms, structure or organization) from any software provided to YOU by HID or any firmware provided with HID hardware; (c) to take such security measures to protect HID's rights with respect to the products, firmware and HID trademarks as YOU uses to protect its own software, trademark, or other rights, which measures shall at least be reasonable under the circumstances; and (d) to comply with all applicable export laws, restrictions, and regulations of any United Kingdom or foreign agency or authority and not to export or re-export, or allow the export or re-export of any product, technology or information it obtains from HID pursuant to these Terms of Sale in violation of such laws, restrictions or regulations.



## HID Global General Sales Policy

### **O. YOUR Marketing Obligations**

In marketing and performing under this Agreement, YOU shall: (a) not engage in any deceptive, misleading, illegal, or unethical practices that may be detrimental to HID or to the HID items provided to YOU; (b) not make any representations, warranties, or guarantees to customers concerning the HID items that are inconsistent with or in addition to those made in these Terms of Sale or in documentation or written marketing materials provided to YOU by HID; and (c) comply with all applicable laws and regulations in performing its duties with respect to the Product. YOU shall be solely liable for any warranties or representations YOU make regarding the Products beyond those warranties expressly offered to YOU by HID or otherwise contained in HID's generally available marketing materials, unless expressly agreed to in writing by an authorized representative of HID.