

General Terms and Conditions of Sale

HID Global SAS

These general sales conditions apply to all orders for HID GLOBAL CID products, unless expressly agreed otherwise in advance at the time of placing an order and prior agreed in writing by the parties. Therefore, the placing of an order by a client entails the client's unconditional acceptance of these general sales conditions which take precedence over any other document of the purchaser and most particularly, over any general purchasing conditions, unless prior expressly agreed otherwise in writing by HID GLOBAL CID. Should a provision of these conditions conflict with a public order law, this conflict shall only entail the non-application of the conflicting provision without affecting the rest of these conditions.

The term "vendor" means HID GLOBAL CID SAS (Nanterre RCS registration number 807924584) which registered office are at 33 rue de Verdun, 92150 Suresnes (France), and the term "purchaser" designates the entity which orders a HID GLOBAL CID product.

I. Order Confirmation

Orders from stock by telephone do not require confirmation in writing from the vendor. However, they are binding on the purchaser as from the time the telephone call is received. In such cases, receipt of goods is counted as notification of order. Manufacturing orders require an order confirmation which is binding on the parties. Any dispute regarding a confirmation must be made by registered letter to the vendor within three (3) business days from the date of issue of this confirmation for sales in FRANCE. This time is extended to fifteen (15) business days for other countries.

II. Delivery

1. *Delivery times*

Unless the delivery time or date in the order confirmation is expressly specified as a vital requirement, these are given for guidance only. The starting point for delivery times is the date of the order confirmation.

2. *Transfer of risks*

Deliveries are executed at the risk of the purchaser.

- a) For goods that the vendor has undertaken to dispatch, the transfer of risks takes place from the loading at the vendor's establishments on the means of transport of its choice on behalf of the purchaser. For goods dispatched outside FRANCE, the transfer of risks shall take place in accordance with the incoterm appearing on the order confirmation. Should the purchaser, when the goods arrive, find items missing or damaged, he must immediately record his reservations with the carrier on the delivery documents. These reservations must be confirmed to the carrier

by registered letter with acknowledgment of receipt, no later than three (3) working days as from reception in FRANCE and seven (7) working days for other countries. A copy of this letter is to be sent to the vendor.

- b) For goods to be collected from the vendor by the purchaser, the transfer of risks takes place as of the date agreed for handover in the warehouses of the vendor.

3. (Total, temporary or partial) inability to deliver

The vendor is relieved of his obligations in cases of force majeure, unforeseeable circumstances or external factors. For the purposes of these conditions cases of force majeure, unforeseeable circumstances or external factors mean any events beyond the vendor's control which prevent or delay the delivery of the goods and which cannot be attributed to an intentional or grave fault on his part. The vendor must notify the purchaser of the existence and the reasons for the temporary situation preventing or rendering delivery impossible unless circumstances render such notification impossible. If the situation preventing delivery is temporary, the fulfilment of the contract is suspended while this situation prevails. However, should it last for over thirty (30) working days, each of the parties have the right to terminate the contract without compensation. However, if the situation preventing delivery relates to a delivery that is due and part of a contract involving staggered deliveries, termination shall only be possible for such delivery and not for future deliveries. If at the time of the situation preventing delivery, the vendor has already manufactured part of the order, the purchaser has the obligation to take delivery of the quantity manufactured in accordance with the conditions laid down.

4. Failure to collect goods or refusal to take delivery

Should the purchaser fail to collect from the vendor or refuse to take delivery, when delivery is due, the vendor shall be entitled to warehouse the goods at the expense of the purchaser and claim from him repayment of transport costs. Should collection of the goods from the warehouses of the vendor be delayed for more than two (2) weeks beyond the handover date or should the purchaser refuse to take delivery thereof, the vendor shall be entitled to terminate the contract, resell the goods and claim the difference between the price agreed at the outset and the resale compensation price.

III. Payment

1. Prices

Goods are invoiced at the list price on the day of delivery or handover, unless otherwise provided. Should there be a discount for cash payment, this shall be deducted from the VAT tax base, and only the net cash figure for the goods is to be subject to VAT. Correspondingly, only the VAT on the actual price paid shall be deductible for the client. Pursuant to prevailing policy adopted by the authorities, no corrected invoice will be sent to the client, who must limit the amount of tax deductible on the basis of the provisions set out above, where a discount is given. Any price reductions will be specified on the invoice.

2. Terms of payment

The invoice date is the starting point for payment. Unless otherwise stipulated on the invoice, the purchaser shall pay the undisputed portions of the vendor's invoice within thirty (30) days

from the date on the invoice. Any bills of exchange that are attached to invoices for acceptance must be returned to the vendor within forty-eight (48) hours. Failing this, the provisions laid down in Article III paragraph 3 below (Late payments) apply automatically. The vendor reserves himself the right to adapt the credit term to the situation of the purchaser. The vendor may also make fulfilment of orders subject to the providing of guarantees or payment for the goods in advance. Insolvency proceedings taken against the purchaser or modification of its legal status shall automatically, unless provided otherwise by public order legislation, lead to the immediate payability of all claims regarding any good delivered but not paid yet.

3. Late payments

If an invoice due for payment is not settled even in part, the vendor shall demand:

- a) a late payment penalty equivalent to three (3) times the legal rate of interest, automatically due without the necessity of a reminder. The legal interest rate applicable during the first semester of the relevant year shall be the rate in force on January 1st of that same year. Concerning the second semester of the relevant year, the legal interest rest shall be the rate in force on July 1st of said year;
- b) immediate payment of invoices not yet due;
- c) payment prior to delivery of any order already accepted.

In cases of recovery of the receivables, the purchaser shall pay to the vendor a lump-sum compensation of forty Euros (€40). If the recovery costs exceed this sum, said recovery costs may be charged to the purchaser for the amount actually incurred by the vendor, upon presentation of the appropriate supporting documents. Finally, payments by the purchaser, however the purchaser may subsequently allocate them, and even if the amount thereof corresponds exactly to a specific invoice, shall be allocated first of all to those invoices of the vendor for goods that have been used or resold.

4. Retention of title clause

The vendor reserves the ownership of goods delivered until all monies owed to them by the purchaser are paid in full. Goods delivered, in storage with the purchaser, should consequently be treated by the purchaser as being deposited on their premises and are to be properly insured by them; these goods shall remain the property of the vendor in the amount of the debts, due for payment or otherwise, of the purchaser to the vendor. Should there be any difficulty regarding identification, any goods having the same specifications and not themselves identified shall be deemed to be the goods of the vendor and this shall be the case in the amount of the debts owing to the vendor. However, to facilitate identification, it is forbidden to remove the distinguishing marks of the goods prior to their use. Furthermore, resale and processing of goods is forbidden in the event of insolvency proceedings. The vendor may retake possession of all goods processed or otherwise that come under the retention of title, either if an invoice due is not paid, or if the purchaser's credit status should worsen. If the vendor retakes possession of goods after processing by the purchaser and sells them to a third party, the vendor shall take the proceeds of this sale in the exact amount of the value of their goods, the interest related thereto as from the invoice date and the date of costs; any surplus shall be reserved for the purchaser. If the goods have been resold by the purchaser, the vendor shall have a direct action on the sales price of these goods held by the subsequent purchaser or any agent of the original purchaser. They shall therefore be required to obtain discharge

from the vendor for any monies they might still owe to the original purchaser and arising from the sale of the goods covered by this retention of title clause. The application of this clause shall in no event alter the provisions concerning transfer of risks. It does not exclude possible legal action to rescind the sale and/or for damages by the vendor with a view to compensation for loss of profit or harm suffered. Finally, this clause applies whatever the legal situation of the purchaser may be. In the event of insolvency proceedings, it shall be limited if necessary in its effects by the application of the law.

IV. Complaints

As soon as the goods arrive at their destination, the purchaser must check that the delivery complies with the order.

Should it not be compliant, complaints, in order to be accepted, must be sent in writing to the vendor:

- a) before any use of the goods and no later than fifteen (15) days as from the date of their delivery, when goods show obvious defects;
- b) within four (4) months as from the date of their delivery, when the goods have latent defects, but in this event, complaints shall not be accepted where the proportion of goods used is over ten percent (10%) of the amount of goods delivered. The use of over 10% of the amount of goods delivered therefore counts as full acceptance.

If in the course of use goods show themselves as unfit for the use for which they are intended, processing must be halted immediately. The vendor must then be immediately notified and allowed to investigate in situ the behavior of the goods and the conditions of use thereof. Processing may only be continued once there is formal agreement between the vendor and the user. When a complaint is acknowledged as well-founded by the vendor, the vendor is at their own expense to take back the defective goods which are to be sent back by the purchaser, in good condition, in the original or similar packaging. The vendor is to replace it in the shortest possible time compatible with its production capacity and its other commitments. However, the purchaser may claim compensation should the goods after the start of processing show that they do not possess the characteristics guaranteed in the order acceptance or failing this the delivery note. However, this compensation shall be limited to the value of the goods acknowledged as being non-compliant. At all events, and in accordance with common law, a complaint by the purchaser regarding all or part of the goods for whatever reason, when the conclusiveness of this complaint is not acknowledged explicitly and in writing by the vendor, in no way authorizes the purchaser to take the law into their own hands and withhold payment of any invoices from the vendor, whether or not they are involved in the dispute.

V. Applicable Law

These general conditions, and all transactions between the vendor and the purchaser arising out of them, are governed by French law.

VI. Disputes

Any dispute arising in connection with these general conditions or any transaction between the vendor and the purchaser arising out of them will be submitted to the exclusive jurisdiction of the competent courts of PARIS (France), save that the vendor reserves the right to bring proceedings against the purchaser in any other court having jurisdiction over the purchaser or its assets.

VII. Termination of the Contract

Any material breach by either Party of its contractual obligations shall entitle the other Party to terminate the Contract thirty (30) days after receipt of a notice by registered letter with acknowledgement of receipt setting forth the reasons for the termination, the defaulting Party having not remedied the breach during this period.

Notwithstanding termination of this Contract for any reason whatsoever, the obligations imposed by Condition VIII below with respect to the Confidential Information of the Disclosing Party shall continue with respect to the use and protection of Confidential Information received prior to the date of expiry or termination of this Contract. Such obligations shall continue for the period applicable as set forth in said clause.

VIII. Confidentiality Obligations

All information provided by a Party ("Disclosing Party") to the other ("Receiving Party") in connection with this Contract, including industrial, technical and business information ("Confidential Information"), shall be retained in strict confidence by the Receiving Party. The Receiving Party undertakes during the term of this Contract and for a period of five (5) years after its expiry or termination to:

- a) protect and keep strictly confidential the Confidential Information of the Disclosing Party by using the same degree of care as it uses to protect its own Confidential Information of like importance, but no less than reasonable care; and
- b) use the Confidential Information of the Disclosing Party only in relation to the Contract and not to use such Confidential Information for its own benefit or for the benefit of any third party.
- c) Notwithstanding the above, with respect to information that constitutes trade secrets the Receiving Party's confidentiality obligations shall continue until the information no longer constitutes trade secrets.
- d) The term "Confidential Information" shall not include any information which the Receiving Party can demonstrate:
 - i. that was already lawfully in the possession of the Receiving Party as of the date of this Contract; or
 - ii. is or becomes public knowledge other than as a direct or indirect result of the information being disclosed in breach of this Contract; or
 - iii. that it has received from a third party who is entitled to disclose such information without any restriction on disclosure.

The Receiving Party may disclose Confidential Information of the Disclosing Party to the minimum extent required by law or legal process (by oral questions, interrogatories, requests, subpoenas, depositions, civil investigative demands or otherwise), provided the Receiving Party promptly notifies the Disclosing Party in writing of such request so that the Disclosing Party may seek a protective order or take such other measures as it deems necessary.

IX. Liability

The obligations of the vendor to replace defective goods as defined in Condition IV above set out the entire liability of the vendor in respect of the sale of the goods and shall be to the exclusion of all other liability to the purchaser whether contractual, tortious or otherwise for defects in the goods or for any loss or damage to or caused by the goods, and all other conditions or warranties whatsoever concerning the goods, whether express or implied, by statute, at common law or otherwise, are hereby excluded, in particular (but without limitation of the foregoing) the vendor grants no warranties regarding the fitness for purpose, performance, use, nature or quality of the goods.

The aggregate liability of the vendor arising out of or in connection with any order which may be formed whether based on breach of contract, statutory warranty, the law of tort or negligence, or otherwise, shall in no event exceed, fifty per cent (50%) of the purchase price of the goods with respect to which any related claim or series of related claims may be made in addition to the provision of replacement goods.

The vendor shall not be liable by way of indemnity or by reason of any breach of contract or in tort (including but not limited to negligence) for any indirect, special, incidental or consequential losses or damage such as loss of use of the goods, loss or alteration of data, damage to reputation, loss of profit or any other financial or economic loss or damage whatsoever save that nothing in this Condition shall affect either party's liability for death or personal injury to any person caused by the negligence of such party, its employees, or authorised agents.

X. Insurance

Each Party declares that it has taken out an insurance policy with a reputable insurer to adequately cover its risks and obligations pursuant to this Agreement. Each Party shall maintain such insurance policy in force throughout the continuance of this Agreement and shall inform the other Party of any change in its insurance policy. Each Party shall provide the other Party with evidence of such insurance policy upon request from the other Party.