

## GENERAL TERMS AND CONDITIONS OF SALE AND SERVICES

### 1. PREAMBLE

These General Terms and Conditions (“GTC”) shall apply to any sale of goods (the “Goods”) and/or performance of services (the “Services”) supplied by TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) to its Client.

The GTC shall not be altered by any contrary stipulations contained in any document, unless TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) expressly consents thereto in writing.

The Client acknowledges that it has read, understood and accepted the GTC prior to any order of goods and/or services.

By contracting with TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA), the Client acknowledges that it expressly and irrevocably accepts the application of the GTC to its order.

The Client hereby waives any of its general terms and conditions of purchase, which will be considered not applicable to any contract executed between the Client and TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA).

### 2. ORDER

1 – All orders must be submitted in writing and must bear the name of the hardware and of the software packages with the reference prices in effect on the day the order is placed.

2 - TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) reserves the right to refuse any order which does not correspond to its product references and/or cannot be implemented according to the Client’s specifications.

### 3. PROPOSALS OR QUOTES

1 – The proposals or quotes are valid unless expressly mentioned otherwise in writing in said proposals for a period of thirty days from the date of issue.

2 – Unless expressly accepted within such period by the Client, TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) reserves the right to cancel its initial proposal.

### 4. REQUIREMENTS- SPECIFICATION

1 – It is the Client’s responsibility to define its specific requirements and to verify that the order complies with the intended purpose.

2 – Orders are taken by TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) without any analysis of the Client’s specific requirements or the purpose intended by it, subject to article 4.4 below.

3 – In the event that the Client deems itself unable to determine its proper requirements, it is the Client’s responsibility to seek assistance from a consultant.

4 - TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) shall provide an analysis and/or consultation services related to the configuration and purpose intended by the Client only

within the framework of an additional services agreement made in writing and signed by both Parties.

5 – Client shall be responsible for ensuring that any software or Goods ordered are compatible with its existing systems and are suitable for its requirements.

### 5. CONCLUSION OF THE CONTRACT

1 – The contract is deemed effective when the order received has been acknowledged expressly in writing by TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) by e-mail or fax together with the receipt of the first down payment by TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA).

2 – Failing the issuance of an acknowledgement of receipt by TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) within two months from the receipt of the order, said order shall be deemed to have been accepted by TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA).

### 6. DELIVERY DATES/DELAY IN DELIVERY

1 – Unless specified and agreed upon in writing by TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA), delivery dates are not of the essence of the Contract. In the event of late delivery of the Goods attributable to TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA), liquidated damages of 0,5% of the total delayed Goods price shall be paid for every week of delay up to a maximum of 5% of the total delayed Goods price. The application of liquidated damages shall not begin until the first day of the third week following the contractual delivery date. Those penalties are considered as Liquidated Damages and shall constitute the sole compensation made to Client by TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) in case of late delivery attributable to TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA).

2 - No delay shall justify cancellation or termination of the contract.

3 – Partial delivery shall be allowed. In such case, each partial delivery shall be construed as a separate contract, and other partial deliveries may be suspended until the Goods included in the prior partial deliveries are fully paid.

4 – Where the Goods remain in TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA)’s premises while waiting for the authorization of shipment from the Client or shipment release, TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) shall be entitled to the payment of any storage fees incurred as a result of the Client’s delay. Over thirty (30) days of storage, the delivery of the Goods shall be deemed executed with respect to all effects concerning the payment due at delivery, the transfer of risks and the commencement of the warranty period.

### 7. PACKING

The hardware and software shall be packed by TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) in accordance with the applicable standards and practice.

### 8. TRANSPORT

1 – Transport is made at Client’s risk and expenses.

2- Shipment shall incur invoicing of a lump sum amount resulting from packing expenses.

### 9. PRICES AND TAXES

1 – All the prices are quoted EXW Incoterm 2010, at TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA)’s shop, excluding packing costs.

The prices stated in TAGMASTER FRANCE SA (FORMERLY

CALLED BALOGH SA)'s proposal are firm and not subject to escalation.

2 – Prices indicated in TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA)'s proposal do not include any taxes, duties or withholding of any kind and in particular custom duties which may be levied outside European Union. In the event TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) would have to pay such taxes, duties or withholding, the prices and rates indicated in this proposal would be increased accordingly.

#### 10. PAYMENT

1 – Unless otherwise expressly agreed upon, payments shall be made in Euros, through bank transfer or documentary credit. A down payment will be made on receipt of the invoice issued by TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) at the acceptance of the Order by immediate bank transfer to TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA)'s nominated bank account in France. The other milestone payment shall be made in accordance with the particular conditions agreed between the Parties.

2 – In any case, TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA)'s invoices shall be paid in full within thirty (30) upon receipt by the Client of such invoice, including principal, expenses and taxes, unless otherwise agreed by the parties.

3 – For any outstanding payment, an interest at a rate of LIBOR EURO at three month plus 1% will be paid to TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA);

4 – In the event of default of payment, the total contract price shall be automatically due.

5 – Payment shall be free of all deductions, withholdings, set-off or other charges, and payment shall not be refused or postponed for any reason whatsoever, including force majeure.

#### 11. CHANGE ORDER

1 – The Client may request reasonable changes to the contract, provided that if such changes are such as to cause an increase in TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA)'s costs or delays in delivery, or in any other pertinent provision of the contract, an equitable adjustment in the price, time for performance and/or any other pertinent provisions will be made and the contract shall be modified accordingly by a written agreement thereto.

2- TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) shall be obliged to implement the change as described in article 11.1 here-above, only after a change notice has been agreed upon and signed by the Parties.

#### 12. COMPLAINTS AND RETURNS

1 – Upon delivery of the Goods, Client shall inspect the Goods in order to verify the quantity and that they are free from defect. Any

claim related to damages incurred during the transportation of the Goods, partial delivery or loss or demurrage of Goods, shall be admitted only if a written notice is both delivered to the carrier and TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) within three (3) days from the receipt of the Goods.

2- If the Client fails to notify the damages to the Goods within such period of time or in the event of signing the carrier's bill of lading with no comments, this shall be construed as an

unconditional acceptance of the Goods.

3 - No Goods may be returned without TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA)'s prior written authorization.

#### 13. PRODUCT WARRANTY

1 – TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) warrants that the Goods supplied are free from defects in design and manufacture for normal operating conditions as stated in TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA)'s proposal for a period of one year from the delivery date of the Goods. In the event of the discovery of a defect in the Goods within the warranty period, the Client shall promptly notify such defect and in no event later than ten (10) days from the discovery of its occurrence, except for visible defects as specified in article 12 hereabove. Client shall return the Goods to TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) for correction. TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA)'s shall, at its option, repair, replace, or modify the defective Goods.

2-: Exclusion of warranty

Warranty shall not be due in the following cases:

- ❖ defects are due to improper handling, storage, installation, operation, monitoring or maintenance of the Goods for which TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) is not liable;

- ❖ non respect of the requirements set forth in TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA)'s proposal for correct operation and maintenance;

- ❖ modifications/repairs were made to the Goods by the Client itself or a third party without TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA)'s prior written consent.

- ❖ Client has not complied with the standard use and installation requirements.

- ❖ The defective Goods are not paid in full.

3 – The warranty does not include travel and accommodation expenses for technicians, or transportation of replacement parts that will be billed at cost. This warranty does not include dismantling and reassembly costs.

4 – Specific warranty for E.C.T™ EMBEDDED CHIP TECHNOLOGY products.

RFID tags from the E.C.T™ series cannot be repaired. These tags are guaranteed by an AQL (Acceptable Quality Level) with a defect rate of 0.5% accepted at the Client's expenses for one single delivery lot. The defective parts replaced under the terms of the warranty shall be made available to and become TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA)'s property.

5- Parts repaired or replaced shall be guaranteed for a period of twelve (12) months from the repair or replacement.

6-. The express warranty and remedies set forth in these GTC shall constitute the sole and exclusive warranties and remedies made to the Client and are exclusive and lieu of all other guarantees and remedies of any kind, whether statutory, express or implied, including without limitation all guarantees of merchantability, fitness for a particular purpose, or arising from course of dealing or usage of trade and in respect of any claim, whether based on contract or on any applicable law.

#### 14. SOFTWARE WARRANTY

1 – The software applications are guaranteed by their authors or

their distributors and are subject to the terms provided in the licence agreements related to the said software applications. These license agreements are shipped with the software.

2 - TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) shall not, under any circumstance provide any guarantee related to software applications.

3 -The Client is aware that the software cannot be defect or bugfree.

## **15. CODES AND STANDARD**

1 - The regulations, codes and standards applicable to the performance of the contract shall be those applicable in European Union or as otherwise specified in the contract. If the Client requests TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) to make any changes to these provisions, such request shall be covered by a Change Notice as specified in article 11 here-above.

2 - If the cost of performance of TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA)'s obligations under the contract is to be increased after the date on which the contract has become effective, by reason of the enactment of any law, regulation or order that affects TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) in the performance of its obligations, then TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) shall notify the Client the amount of such increase and such amount shall be added to the price set forth in the contract.

## **16. RESPONSIBILITY**

1 - TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) shall make its best efforts and act with due care and diligence but in no event TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) shall have the obligation to achieve specific results.

2 - Notwithstanding anything to the contrary, the total cumulative liability of TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA), including guarantee and liquidated damages, whether in contract or in tort, strict liability or otherwise shall in no event and under no circumstances exceed the price of the Goods or Services. Above such amount, the Client and its insurers will indemnify and hold TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) harmless for all the claims made by third parties for such damages. Notwithstanding anything to the contrary, under no circumstances, whether arising under contract, tort (including negligence), strict liability or otherwise, shall TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) be liable for incidental special, indirect or consequential losses or damages of any nature arising at any time for any cause whatsoever, such as but not limited to loss of use, loss of profit, claims of customers... directly or indirectly caused by the use of the Goods, software and services supplied by TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA). Client and its insurers will indemnify and hold TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) and its insurers harmless for all claims resulting from such losses or damages. In no case shall TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) be liable for any error in the carrying out of the contract, which is the result of an omission, inaccuracy, defects in the plans, documents or information provided by the

Client. Where the Client benefits from an insurance policy covering TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA)'s liability resulting from the Goods supplied or

the Services performed, it shall name TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) as co-insured parties with a waiver of recourse against TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) and its respective insurers till the end of the warranty period.

Under all circumstances, penalty or indemnification of any kind specified in the special conditions and/or the Contract shall be construed as liquidated damages and shall exclude all other indemnification which the Client shall be entitled to claim.

## **17. RETENTION OF OWNERSHIP - TITLE TO THE GOODS**

1 - Notwithstanding the delivery and the transfer of risks to the Goods, title to the Goods shall pass to Client upon TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA)'s receipt of the full price of the Goods and/or Services and along with any reimbursement of expenses due to TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA).

2 - Until title to the Goods passes to the Client, Client shall hold the Goods as TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA)'s depositary and shall keep such Goods clearly marked and identified as TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA)'s property. The Goods shall be stored separately from the Client's own property and third party's property, protected and properly insured.

3 - Said Goods shall not be transferred by Client for the entire validity period of the retention of ownership clause.

4 - IN ACCORDANCE TO ARTICLE 2102 OF THE FRENCH CIVIL CODE AND IN ACCORDANCE WITH THE LAW OF JULY THE 13TH 1967, AMENDED BY THE LAW OF MAY THE 12TH, 1980, THE GOODS AND SUPPLIES DELIVERED BY TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) ARE EXPRESSLY SUBJECTED TO THE RETENTION OF OWNERSHIP CLAUSE.

5 - IN CASE OF NON-PAYMENT ON THE DUE DATE, TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) SHALL BE ENTITLED TO TAKE BACK THE GOODS AND SUPPLIES DELIVERED UNDER THE TERMS OF THE SAID LAW.

## **18. TRANSFER OF RISKS**

Transfer of risks shall pass to Client in accordance with the applicable ICC Incoterms 2010.

## **19. SOFTWARE OWNERSHIP- INTELLECTUAL PROPERTY RIGHTS**

1 - Pursuant to the French laws n°57-298 of March the 11th, 1957 and n° 85-660 of July the 3rd, 1985, Client shall not make any copy other than authorised in this legislation and shall not otherwise act in such a way as to infringe the intellectual property rights and copyrights of the authors and/or their beneficiary.

2 - Client shall comply with property rights reserved for software Goods ordered from TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA).

3 - TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) has proprietary interest in all data, drawings, designs, specification, information or documents of any kind, the "Information" provided to Client pursuant to the contract. All drawings, specifications and any other pertinent papers and engineering and process data prepared by TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) pursuant to the contract, all processes and methods incorporated or to be incorporated in the Goods, all inventions made by TAGMASTER

FRANCE SA (FORMERLY CALLED BALOGH SA), its sub-vendors and its or their employees in or as a result of the performance of the contract, remain the sole and exclusive property of TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) which grants the Client a non-exclusive personal right to use such TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA)'s Information and intellectual property for the sole purpose of the implementation of the contract and the use of the Goods. Client warrants TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) that its employees and agents, shall not directly or indirectly copy, reproduce, publish, use or disclose said information except as may be necessary for the performance of the contract and then only on a confidential basis. Prior to any disclosure as aforesaid to any third party or any of its employees or agents, Client shall obtain from such third party, employees or agents, an irrevocable commitment to keep Information strictly confidential and shall so notify TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) of such discovery. Client shall indemnify and hold TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) harmless from liabilities or losses suffered by TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) or its subcontractors as a result of any disclosure to third party in violation with this article or any other improper use of said Information.

## **20. WARNING**

1 – It is the Client's sole responsibility to implement the appropriate procedures in order to evaluate the conformity of the hardware and software Goods and to have an environment that is appropriate for their use.

2 – In no case shall TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) guaranty the adequacy and fitness of the hardware and software Goods for specific tasks which were anticipated by the Client and motivated the purchase of the Goods, except if these specific tasks are known by TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) and are a part of the contract.

3 – Client shall not perform any commercial operation involving the basic software and its applications.

4 – The basic software versions may be modified at of TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA)'s sole discretion.

5 – Accordingly, Client shall accept any new version of the basic software.

6 – With regard to software Goods, Client shall comply with the conditions of use of the said software Goods as they appear in the license inserted in the documentation.

## **21. FORCE MAJEURE**

1 – Notwithstanding anything to the contrary, the preventing Party shall not be liable for any event of force majeure arising beyond its control.

2 – The following are expressly considered as cases of force majeure or acts of God, in addition to those generally accepted by the precedents in French courts and jurisdictions:

- partial or total strikes, internal or external to the enterprise; lockouts, equipment failures, power or energy failures, steelwork stoppages, shortage of raw materials, extreme weather conditions; blockade of the means of transport or of supply for whatever reason; earthquake, fire, flood, water damages, law or government restrictions such as embargo, prohibition of trade;

legal or governmental decisions; legal or regulatory modifications to forms of commerce, interference by civil or military authorities, acts (including delay or failure to acts), acts of war (declared or undeclared) or any other cases outside the express control of the parties, that prevent the normal execution of the contract.

3 – Promptly upon the discovery of the occurrence of any of such causes, the prevented Party shall give the other Party written notice thereof and contractual delivery dates shall be extended by such period of time which is reasonably necessary to reflect the delay. Each Party shall bear the costs and expenses incurred as a result of the delay.

4 – In the event that any cause of force majeure has been existing for three (3) months or more and the Parties have not come to an agreement to resolve the difficulties arising from the event of force majeure, either Party may terminate the contract with immediate effect by giving written notice thereof.

In such event, Client shall pay to TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) all outstanding amounts at the time of termination, plus the expenses associated with termination, including cost associated with TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) contractual obligations to third parties (including for example, its suppliers or subcontractors), plus compensation for loss of profit.

## **22. WHOLE AGREEMENT**

1 – The contract expresses the entire agreement between the parties.

2 – The contract together with all incorporated documents herein by reference contain the sole obligations of the parties and shall supersede all previous agreements, if any, and any understanding, whether oral or written, relating to the subject matter hereof and shall not be changed or modified except by instrument in writing signed by the Parties hereto.

3 – Failure or delay by either party to exercise any of its rights, powers or remedies contained in this contract shall not constitute a waiver of those rights, powers or remedies.

## **23. TERMINATION/ SUSPENSION**

1 – Termination for Cause: In the event a party fails to comply with any material obligations imposed upon it by the contract, and thereafter fails to diligently take step to remedy such nonperformance or breach within thirty (30) days following the receipt by the defaulting party of a registered letter with acknowledgement of receipt giving notice of the claimed breach or default, shall entitle the non-defaulting party to terminate the contract with immediate effect without prejudice to any claim for damages which it may have.

2 – Termination for Insolvency: Either Party shall be entitled to terminate the contract immediately by giving written notice to that effect in the event the other Party becomes bankrupt or insolvent, is liquidated or wound up or makes a scheme of arrangement with its creditors.

3 – Suspension due to Client's default: In the event TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA)'s Client fails to perform any of its obligations under the contract, or fails to pay any sum due to TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA), TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) shall have the right to suspend the contract by giving written notice thereof to its Client.

Suspension may be continued until Client's full performance of its obligations, including full payment of all outstanding amounts,

and the time for completion of TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA)'s obligations under the contract shall be extended consequently.

#### **24. TRANSFER AND ASSIGNMENT**

In no case shall the Client transfer or assign this contract, in whole or in part, nor set up an association with another company for its fulfilment without TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA)'s prior written consent. TAGMASTER FRANCE SA (FORMERLY CALLED BALOGH SA) shall have the right to assign in whole or in part, any contract governed by these GTC or to subcontract at its sole discretion, the performance of any contract of sale of Goods or performance of Services.

#### **25. PARTIAL INVALIDITY**

If one or more provisions of this contract are held invalid, illegal or unenforceable or expressed as such by a final decision from a competent jurisdiction, the remaining provisions of the contract shall remain in full force and effect. §

#### **26. APPLICABLE LAW AND DISPUTE RESOLUTION**

1 – The contract, including these GCT shall be governed by and construed in accordance with French laws.

2 –. The Parties acknowledge that any dispute arising from or in connection with the contract shall be finally settled under the rules of Arbitration of the International Chamber of Commerce by three (3) arbitrators appointed in accordance with the said rules, rules with which the parties recognize that they are familiar. The place of arbitration shall be Paris, France. Arbitration shall be in French. The arbitrators shall apply the substantive applicable law to the merit of the dispute and in all cases shall decide in accordance with the terms of the contract.

#### **27. MISCELLANEOUS**

Any notice to be sent by the other Party shall be communicated in writing and sent by regular mail duly stamped or by fax. Any notice sent by mail shall be deemed, except contrary evidence, to have been delivered three (3) days after the sending. The sending by fax and e-mail shall be deemed received the same day than the sending, unless it is a bank holidays. In such case, they shall be deemed received on the following first working day. Client shall be responsible for obtaining and maintaining in full force and effect all approvals, licenses, permits and authorizations that are required for, or otherwise related to the purchasing and/or use of the Goods and software.