

General Sales Terms and Conditions GEMALTO GmbH

1. General

1.1 These General Sales Terms and Conditions ("Conditions") of GEMALTO GmbH ("GEMALTO") apply to all products and services (hereinafter jointly "Services"), sold by GEMALTO to a customer (hereinafter "Customer"). These Conditions shall prevail in the event of a discrepancy with any other oral or written agreements between GEMALTO and the Customer. These Conditions shall also apply if GEMALTO unconditionally fulfills its obligations despite having knowledge of deviating or additional terms from Buyer.

1.2 An offer ("Offer") from GEMALTO, shall be valid for a period of 30 days from the date of its issuance, unless extended by GEMALTO by written notice to the Customer.

1.3 The Customer's written acceptance of the Offer or placement of an order in writing by the Customer ("Order") shall be deemed the Customer's unconditional and irrevocable agreement to these Conditions.

1.4 The Offer may be altered or withdrawn by written notice from GEMALTO to the Customer at any time until a contract ("Contract") has been executed. The Contract shall be deemed to have been concluded upon receipt of GEMALTO's written acknowledgement ("Order Acceptance").

1.5 If the Customer accepts an Offer with additions or modifications, such acceptance shall be considered a new offer to GEMALTO. Any such new offer shall only be binding upon GEMALTO if and to the extent it is accepted in writing by GEMALTO. In the event of a discrepancy between the Order and the Order Acceptance, the Order Acceptance shall prevail and determine the terms of the Contract. No Order may be cancelled or modified after the date of issuance of the Order Acceptance, except with the prior written approval of GEMALTO and provided that all costs resulting therefrom shall be borne by the Customer.

1.6 The Contract shall consist of:

- The offer of GEMALTO and/or an agreement signed by both parties and/or the Order and its Order Acceptance agreed upon by both parties, including, as the case may be, any complementary specific and/or other special conditions of sale;
- These Conditions, which form an integral part of the Contract.

1.7 The Contract constitutes the entire agreement between the parties with respect to its subject matter and supersedes all prior agreements and understandings (whether oral, in writing or any other form) between the parties.

1.8 Any agreements as well as any subsequent additional or deviating agreements shall be made in writing executed by the duly authorized representatives of the parties in order to be effective. This shall also apply to an amendment of the written form requirement.

1.9 Specific success shall not be owed by GEMALTO by work or by a service.

2. Terms of sale

2.1 The minimum quantity shall be 200 (two hundred) units of the Products or 1,000 (one thousand), if cards. The minimum price for the respective Service shall be 2,000 Euro (two thousand Euro).

2.2 Unless otherwise agreed in writing, all deliveries shall be made "FCA" (Free Carrier) in accordance with the Incoterms 2010 GEMALTO's premises as further specified in the Order Acceptance and / or the Contract.

2.3 Except as otherwise agreed in writing, the performance of the stipulated time for delivery is subject to the timely

- Receipt by GEMALTO of all the information and data necessary for the fulfillment of the Order;

- Receipt by GEMALTO of any license or other official authorization necessary for the import or export.

2.4 Prior to delivery, the products will be stored and packaged in accordance with GEMALTO's usual standards.

2.5 GEMALTO reserves the right to make partial and/or anticipated deliveries. In particular, GEMALTO reserves the right to deliver quantities that may differ from the quantity by up to $\pm 8\%$ (eight percent) and the Customer undertakes to pay the price corresponding to the quantity of products actually delivered by GEMALTO within that tolerance.

2.6 After a card body product has been ordered from GEMALTO the original image of the card body design transmitted will be separated into its color separations in the pre-printing stage at the relevant production site. The color separations are based on the four-color model CMYK (cyan, magenta, yellow, black, also known as the ISO code). On the basis of the color separation proofs will be made which will be provided to the Customer electronically or on paper for approval. All other colors will be created and printed on the basis of the PANTONE color chart available in each GEMALTO production site. All special colors shall be made from PANTONE basic colors. The difference between the proof and the PANTONE primary colors chart and the colors printed on the card products shall be measured with a spectrophotometer and shall not exceed ± 3.5 in the CIE 94 colorimetric space (2.1.1) D65/10.

2.7 Should the delivery of the products or the performance of the service be postponed for any reason not attributable to GEMALTO, GEMALTO shall be entitled to store the products or any part thereof at the risk and at the expense of the Customer. In such a case, GEMALTO shall issue and sign a warehouse certificate discharging GEMALTO of all liabilities incurred in connection with such storage.

3. Transfer of risks and title

3.1 The risk of accidental loss and damage to the products and the title to the Products shall transfer to the Customer upon delivery.

3.2 If the performance of the Service, the delivery, or the taking over by Customer is delayed for reasons within Customer's responsibility, or if Customer has failed for other reasons to accept delivery, the risk of accidental loss or damage to the

product shall transfer to Customer on the date when it would have passed but for such reasons or failure of Customer.

4. Price

4.1 Provided nothing to the contrary has been agreed in writing, the prices for the Services specified in the Offer and Order Acceptance of GEMALTO are fixed and firm for the execution of the contract.

4.2 The prices shall be quoted in Euro which will be the invoicing and payment currency.

4.3 Unless otherwise agreed all prices are to be understood "FCA" (Incoterms 2010), GEMALTO premises.

4.4 Without prejudice to the above mentioned Incoterms, all prices hereunder are exclusive of all taxes, customs duties, levies and other charges whatsoever which shall be borne exclusively by the Customer.

5. Invoicing and payment

5.1 Unless otherwise agreed in writing any invoices are due immediately and payable without any deduction, at the latest, however, within 30 (thirty) days from the invoice date.

5.2 In the event Customer fails to make any payment on the due date then, without prejudice to any other rights or remedies available to GEMALTO, GEMALTO may, without limitation, (i) postpone the fulfillment of its own obligations until full payment of the sums due for the principal; (ii) charge interest at the annual rate of 8 (eight) percentage points above the Base Lending Rate of the European Central Bank; (iii) terminate the Contract upon expiry of a 7 (seven) calendar day written notice of GEMALTO to the Customer which has remained without effect. If GEMALTO suspends its obligations due to late payments the Customer shall pay GEMALTO for all Services performed until receipt of the suspension notice as well as for all additional cost not compensated by this payment, but incurred in connection with the performance and/or suspension including but not limited to payments due to sub-suppliers and sub-contractor, cost of waiting time as well as cost for the protection of the Services. In addition, Customer shall grant an adequate extension of time (including the time necessary to restart the works after suspension if lifted) to GEMALTO.

5.3 In the event of a payment delay by the Customer, GEMALTO may also require for any new delivery payment prior to shipment or suspend or cancel any pending Contract or Order without incurring any liabilities whatsoever. Customer may set off only those claims made under this Contract that are undisputed or have been finally determined.

6. Acceptance testing

6.1 If an acceptance testing procedure is provided for in the Contract, such procedure shall be carried out, after completion of manufacture and before delivery of the Products, at the premises of GEMALTO, within a maximum period of 15 (fifteen) calendar days from the date of issuance of a written notice for acceptance testing sent by GEMALTO. Any acceptance testing will be at the expense of the Customer and performed in accordance with the

GEMALTO standard testing procedures then in force.

6.2 The Customer shall have the right to attend the acceptance testing subject to written notification to GEMALTO of the names of its representatives at least 3 (three) calendar days prior to the above mentioned anticipated date. Failure of the Customer to attend shall not delay or prevent the performance of such acceptance testing. GEMALTO may subsequently carry out the acceptance testing, in accordance with Article 6.1 and the products shall be deemed accepted.

6.3 Upon completion of the acceptance testing, GEMALTO shall issue, sign and submit to the Customer a report which shall be signed by the Customer no later than 5 (five) calendar days from its submission. If the Customer refuses to sign the said report, the Customer shall so notify GEMALTO in writing by substantiating the non-conformities within the same 5 (five) day period of time. In the event the Customer fails to sign the report and to notify GEMALTO as per above, the products shall be deemed accepted.

6.4 Non-conformities evidenced during the acceptance testing shall be made good by GEMALTO within a reasonable time. Non-conformities not affecting the functional characteristics of the products shall not constitute a ground for rejection thereof. Non-conformities affecting the functional characteristics shall be made good by GEMALTO before delivery.

7. Warranty

GEMALTO shall be liable to Customer for defects as follows:

7.1 The Customer shall notify GEMALTO of the defects in writing immediately after the defects have been discovered, and the notice shall thoroughly describe the conditions under which the defect has arisen in order to facilitate the diagnosis of the defect. If a defect exists, GEMALTO is free to choose to have it either repaired or replaced at GEMALTO's expense. The property of the defective Services shall pass to GEMALTO upon delivery of the replacement. Transportation and insurance costs for defective parts returned to GEMALTO shall be borne by the Customer and transportation and insurance costs for parts replaced or repaired by GEMALTO shall be borne by GEMALTO. For the Services which have been replaced or repaired by GEMALTO hereunder, GEMALTO shall have the same liability as set out in this Article.

7.2 Insofar as the Services include solely products these will be provided "as is". For Products resold "as is" and components that GEMALTO purchases from suppliers, GEMALTO's warranty is strictly limited to the terms granted to GEMALTO by its suppliers.

7.3 GEMALTO shall only be liable if:

7.3.1 Customer proves that the Services have been used and maintained in compliance with GEMALTO's instructions for use;

7.3.2 the defect is due to circumstances that existed in the Services before the transfer of risk occurred;

7.3.3 Customer has immediately taken all appropriate steps to mitigate a damage caused by a defect.

7.4 GEMALTO shall under no circumstances be liable for defects

- 7.4.1 to consumable or extendible items (such as batteries, fuses, etc.);
- 7.4.2 arising from or connected with Customer's failure to use or keep the Products in accordance with GEMALTO's specifications and documentation and generally with standard practices of product operations;
- 7.4.3 arising from or connected with (i) any combination of the Services with equipment, material, products or systems not furnished, not approved or not specifically recommended by GEMALTO, (ii) any modification of the Services not performed by GEMALTO, (iii) any accident, vandalism, negligence or handling errors causing damage to the products, (iv) normal wear and tear, (v) defective installation, maintenance or storage or (vi) technical maintenance or interventions on the Services other than those deemed necessary by GEMALTO.

7.5 The limitation period for defects shall be 12 (twelve) months for all and any products and services and shall start at the date of delivery or completion of the services. The limitation period for a remedied part of the products or services shall be 6 (six) months, but expire the latest 6 (six) months after lapse of the defects liability for the original product or services provided in the first sentence of this Article 7.5 above.

7.6 In the event Buyer provides designs, plans, data (e.g., personalization data), electronic security mechanisms and architecture, and specifications with respect to Services (collectively "Designs") Buyer is responsible for such Designs. If, at Buyer's request or otherwise, GEMALTO makes suggestions with respect to the Designs, Buyer will be responsible for analyzing the same and determining whether or not to incorporate them into the Designs. Buyer represents and warrants that by placing an order for the Services (a) it relies on its own knowledge and judgment in the selection and use of the Services as well as the electronic security mechanism and/or architecture installed in the Services, and (b) it has read, understood and accepted the electronic security mechanisms and/or architecture offered by the Services. GEMALTO shall not be liable in any manner whatsoever with respect to failure of, or attack on the electronic security mechanisms and/or architecture of the Services.

7.7 GEMALTO does not and shall not warrant or guarantee that the Services will be resistant to all possible attacks and shall not incur, and disclaims any liability in this respect. Even if the Services are compliant with current security standards in force on the date of their design, the Customer acknowledges that the resistance of the security mechanisms necessarily evolves according to the state of the art in security systems and notably under the emergence of new attacks. Under no circumstances shall GEMALTO be held liable for any third-party actions or claims, in particular not in the event of successful attacks against systems or equipment in connection with the Services.

7.8 The liability of GEMALTO for defects in this clause and the rights and remedies of the Customer

hereunder are exclusive and in lieu of other rights and remedies of the Customer.

8. Liability

8.1 GEMALTO or its suppliers, shall in no event be liable for any incidental, consequential, indirect or punitive damages, special damages, for loss of production, loss of earnings, loss of revenue, loss of profit, loss of savings, payment of interest and financing expenses; loss of information and data; damages based on Customer's third party contracts such as Customer's purchasers, other contractors/suppliers or clients; or loss of use, incurred or suffered by the Buyer or a third party resulting from a defect, infringement or alleged infringement, an incident, the failure of the Services or any failure to perform according to the Contract. This will also apply if GEMALTO was advised in advance of the possibility of such damages. The Customer shall defend, indemnify, and hold GEMALTO harmless from and against any such claim. Under no circumstances shall GEMALTO be liable to the Customer for any damages resulting from or arising out of any illegal and/or fraudulent use of the Services by the Customer, any third party or the end-user.

8.2 GEMALTO or its suppliers shall only be liable for damages if the damage was caused through GEMALTO's culpable breach of major contractual obligation (cardinal duty). GEMALTO's or its suppliers total aggregate liability towards Customer shall be limited to damages which were foreseeable by GEMALTO at the time when the Contract was concluded but not more than the actual payment received by GEMALTO under the respective Contract during the 6 (six) months preceding the event leading to the first claim for damages by Customer.

8.3 The foregoing limitations of liability and disclaimer shall not apply a) in cases of willful misconduct and gross negligence of GEMALTO; or b) in the case of culpable injury to life, body or health; or c) under the liability provisions of the German Product Liability Act.

8.4 Any Customer's claim must be brought by Customer within 90 (ninety) days of the date of the event giving rise to any such claim, and any lawsuit relative to any such claim must be filed within 1 (one) year of the date of the claim.

8.5 Customer acknowledges that using or selling Services in devices or systems where malfunction may result in personal injury, death, damage to property or the environment is at its own risk and agrees to indemnify and hold GEMALTO harmless from all loss, expense and damages (including reasonable attorney's fees) which may be incurred by GEMALTO as a result of any claims or actions resulting from damages caused by the use of the Services in such devices or systems by Customer or any party to whom the Customer has directly or indirectly supplied Services.

9. Export restrictions

9.1 If Customer transfers Services supplied, provided or performed by GEMALTO to a third party, Customer shall comply with all applicable national and international (re-) export control regulations. In any event of such transfer of Services Customer shall comply with the (re-) export control regulations of the

Federal Republic of Germany, of the European Union and of the United States of America. In case the Services as well as documentation, operating manuals and information in any way whatsoever related to the Services are exported, the Customer shall be responsible for obtaining any required licenses and approvals.

9.2 GEMALTO's obligations under the Contract shall be subject to the proviso that such fulfillment is not prevented by any impediments arising out of national or international foreign trade or customs requirements or any embargoes or other sanctions.

10. Intellectual property, confidentiality and infringement

10.1 All information and data ("Information") contained in any document or direct supply of information by GEMALTO shall remain GEMALTO's exclusive property. The sale of software shall not constitute the transfer of ownership rights or title in such software to Customer. The Customer of the software shall have a non-exclusive and non-transferable right to use the software. The Customer shall not and shall contractually bind its customers and the end-customers not to copy, modify, translate, reverse engineer, create derivative works, disassemble or decompile the software or otherwise use the software. The Customer shall not use any of the Information for other purposes than set forth in the Contract or, as the case may be, for installing, operating and/or maintaining the Services. GEMALTO retains and shall retain full ownership of all inventions, designs and processes made prior to or during the course of performance of this Contract.

10.2 The Customer shall keep the Information in strict confidence and shall not disclose any of the Information to any other person other than the Customer's employees who need to know such Information. The Customer shall not make available or disclose any Information to any other person without prior written consent of GEMALTO. The obligations expressed in this provision shall remain binding upon the Customer even after completion or termination of the Contract.

10.3 Always subject to Article 8 above, GEMALTO shall hold harmless, protect and indemnify the Customer against any and all claims, costs, expenses or liability directly arising out of the infringement of patent, copyright, trade secret rights, as existing at the date of entry into the Contract in the Customers' country and as a consequence of the use by the Customer of the Products in accordance with their technical specifications. The foregoing obligations are conditioned on Customer: (a) notifying GEMALTO promptly in writing of the claim; (b) cooperating and, at GEMALTO's request and expense, assisting in such defense; (c) giving GEMALTO sole control of the defense thereof and any related settlement negotiations; and (d) that the Customer itself shall refrain from making any admission, declaration or arrangement with the third party raising such claims. GEMALTO has no obligation under this Article 10 or otherwise with respect to any claim arising out of the infringement of intellectual property rights based upon: (a) any use of the Services not in accordance with the Conditions and/or the Contract; (b) any modification of the

Services by any person other than GEMALTO or its authorized agents; (c) use of the Services in combination with product, business process, data or equipment if the infringement was caused by such use or combination, regardless of whether or not the Product or elements of the Product are a material part of the infringement; (d) any content and/or materials introduced or made available in or through the product by Customer, Customer's client(s), end users, and/or any third parties; (e) the infringement of any method or process in which any product may be used but not covering the products when used alone, (f) the use of the Services other than as permitted in the related documentation; or (g) use of the Services during any time period after GEMALTO has notified Customer to discontinue use of the same, (sub-sections (a) to (g) are hereafter collectively referred to as "Excluded Claim(s)"). Customer indemnifies GEMALTO against all liability, damages and costs (including reasonable attorneys' fees) resulting from or related to an Excluded Claim.

10.4 If a court or an arbitrator finally establishes that there has been an infringement of patent, copyright, trade secret rights as set forth in Article 10.1 or should GEMALTO consider that the Services could be the subject of a claim or suit for infringement, GEMALTO may choose one of the following solutions:

- to obtain the right for the Customer to continue using the Services,
- to substitute equivalent products or services for the infringing Services,
- to modify infringing Services so as to eliminate the infringement, or
- to terminate the Contract or any part thereof.

10.5 This Article 10 states the entire liability and warranty of GEMALTO. Any further rights and remedies of Customer (including Customer's right to claim damages) shall be excluded. Except as expressly stated in this Article 10 any remedy for indemnification regarding such intellectual property rights shall become time-barred 12 (twelve) months after the delivery of the respective Service to Customer.

10.6 Customer's obligations arising out of this Article 10 shall survive the expiration or termination of this Contract.

11. Applicable law, settlement of disputes and Severability Clause

11.1 The Offer and the Contract shall be subject to the law of the Federal Republic of Germany, excluding the provisions of private international law. In particular, the application of the CISG (United Nations Convention on Contracts for the International Sale of Goods, 1980) shall be excluded.

11.2 The Place of jurisdiction shall be Munich (Germany) to resolve all disputes of the parties arising from or in connection with the existence, the validity, the formation, implementation and/or termination of the Offer and/or of the Contract, insofar as it is not possible for the parties to reach an out-of-court settlement.

11.3 If one of the above provisions is or becomes ineffective or if an omission becomes apparent, the validity of remaining provisions shall not

be affected thereby. The parties undertake to replace any ineffective provision by an effective provision which reflects as closely as possible the purpose of the ineffective provision. In case of an omission the parties shall agree on a provision they would have agreed upon had they considered the issue at the time of conclusion of the Contract.

12. Assignment

Neither GEMALTO nor the Customer shall, without the express prior written consent of the other (such consent shall not be unreasonably withheld) assign to any third party the Contract or any part thereof, except that GEMALTO shall be entitled to assign the Contract or any part thereof to (i) any affiliated company; or (ii) any third party in connection with a merger, sale of substantially all of GEMALTO's assets or a change of control.