EDENTITY Software Solutions GmbH General Terms and Conditions for Contracts of Business Version 7/2013



1. Compensation, Payment, Default, Reservation of Rights Notices

- 1.1 To the extent not otherwise agreed upon compensation according to expenditures shall be calculated at the EDENTITY prices generally valid at the time this Agreement is entered into. Compensation is at net prices always, plus any statutory sales tax due.
- 1.2 EDENTITY can invoice monthly. In the event that services are invoiced according to expenditures, EDENTITY shall document the nature and duration of activities and include this documentation with its invoice. 1.3 All invoices shall be paid no later than 14 calendar days after receipt, all costs included without deductions.
- 1.4 A Party can offset against or withhold only with uncontested or legally non-appealable payables. The Party can withhold payments due to defects only to an extent appropriate in relation to the defect and only if there is no doubt regarding the defect.
- 1.5 Notwithstanding more extensive rights, in the event that the Party is in default with payments, EDENTITY is authorized to suspend or withhold additional services until the Party has made such payment. Furthermore, EDENTITY may at its discretion make completion of any outstanding services dependent upon the Party prepaying the next partial payment in its entirety, or providing collateral for compensation due in the form of an indefinite, directly enforceable guarantee issued by a large European bank on any outstanding compensation. Furthermore, past due payments for which the Party is in arrears shall be subject to default interest pursuant to Sec. 456 UGB [Austrian commercial code of law].
- 1.6 EDENTITY reserves title and rights to be granted to the services until all compensation owed has been paid in full, for which justified withholding for defects pursuant to Sec. 1.4, second sentence, shall be taken into account.
- 1.7 In the event of the Party's economic inability to fulfil its obligations to EDENTITY, EDENTITY can terminate without notice existing exchange contracts with the customer by means of rescission, contracts for the performance of a continuing obligation by means of termination, including in the event of the Party's insolvency petition. The Party shall inform EDENTITY in writing in a timely fashion about imminent inability to pay.

 1.8 Fixed deadlines for services shall be valid only to the extent they are agreed upon in writing. Agreement to a fixed deadline for services shall be subject to the proviso that EDENTITY receives the services of its respective suppliers and subcontractors as agreed upon and in a timely fashion.

 1.9 The Party may assign rights from this Agreement to a third party only with the prior written consent of EDENTITY.

2. Duty of Good Faith, Confidentiality, Confidentiality Of Data

- 2.1 The Parties are committed to mutual loyalty. Neither Party shall attempt to hire employees away from the other Party to this Agreement or indulge in direct or indirect measures of any kind which would encourage the employees of the other Party in this respect or which could lead to the employment of such employees. This mutual duty of good faith shall continue for a period of two years after completion of the project. 2.2 The Parties shall handle with confidentiality for an unlimited time all information or informational materials which they obtain or of which they gain knowledge within the context of the working relationship, either orally, in writing, or otherwise directly or indirectly, and which is designated as confidential or would normally be viewed as confidential based upon the nature of the materials, and shall use this information or these informational materials exclusively within the context of the services covered in this Agreement. The only exceptions to this confidentiality obligation are information and informational materials which a) are already publicly known at the time of their disclosure, i.e. completely accessible by any third party;
- b) following disclosure, are made available lawfully to one Party by a third Party who is not subject to a confidentiality obligation to the other Party; c) must be provided upon demand of an authority or other third party having power to compel disclosure; or
- d) must be provided to legal or tax consultants of the respective Party for consulting purposes.

In the event of circumstances described in Items c and d, the Parties shall inform each other immediately with regard to such a demand and prior to transmitting any protected information.

- 2.3 The Parties shall ensure that a corresponding confidentiality agreement is signed by all employees or third parties used to perform the services covered in this Agreement.
- 2.4 The Parties understand that communication between them will transpire to a substantial extent in non-encoded electronic form (e.g. email) and therefore waive any claims based on unauthorized third parties exercising illegal access to electronic communication media and thereby acquiring knowledge of electronic data transmitted without encoding as mentioned above.

3. Change of Scope of Service

- 3.1 The Party is authorized to modify the content or scope of services during the course of the project. The following change request procedure shall serve that purpose. This procedure shall be valid for all parts of a project.
- 3.1.1 EDENTITY shall examine a change request from the Party and inform said Party as to whether an extensive review of such change request is required or not.
- 3.1.2 In the event that an extensive review is required, EDENTITY shall inform the Party within a reasonable period of the expected time needed for such a review and the remuneration arising from it. Within a reasonable period of time, the Party shall issue the order for the review or reject it.
- 3.1.3 In the event that an extensive review of the change request is not required or the ordered review has been completed, EDENTITY shall either a) inform the Party that the change request cannot be executed by EDENTITY within the framework of the agreed-upon services, or b) provide to the Party a written quotation for executing the changes (quotation for the change). The quotation for the change shall include in particular any changes in the description of services and their impact on the service time period, planned deadlines, and compensation. The quotation shall explicitly take into account as well any possible savings through reduced expenditures.
- 3.1.4 The Party shall either accept or reject in writing a quotation for changes within the acceptance period (binding period) mentioned therein.
 3.1.5 EDENTITY and the Party may agree that the services affected by a change request shall be interrupted until completion of the review or, to the extent a quotation for the change has been provided, until expiration of the binding period.
- 3.1.6 Until a quotation for the change has been accepted, work shall proceed on the basis of prior contractual agreements. Service periods shall be extended by the number of calendar days on which work was interrupted in connection with the change request or its review. EDENTITY can demand appropriate compensation for the duration of the interruption, except to the extent it has assigned its employees affected by the interruption otherwise or maliciously refused to so assign them.
- 3.1.7 In the event that EDENTITY wishes to make change requests to the Party, the above shall apply mutatis mutandis.
- 3.1.8 Change requests shall always be directed to the project director of the other Party.



4. Disturbance in Rendering of Services

4.1 When a cause for which EDENTITY is not responsible, including strikes or lockouts, interferes with meeting deadlines ("disturbance"), deadlines shall be extended by the duration of the disturbance, including a resumption phase as required. The Party within whose area the disturbance occurs shall inform the other Party immediately of the cause and duration of the postponement.

4.2 In the event that a disturbance increases the expenditure, EDENTITY can also demand compensation of the increased expenditure, except if the Party is not responsible for the disturbance and its cause is outside the realm of its responsibility.

4.3 In the event that the Party can rescind the Agreement or demand damages in lieu of services because of improper performance by EDENTITY, or the Party claims the same, at EDENTITY's request the Party shall state in writing within a reasonably set deadline whether the Party will assert these rights or wants services to continue. In the case of rescission, the Party shall reimburse EDENTITY the value of previously existing utilization options; the same shall apply to deterioration through use in accordance with directions.

5. Material Defects

5.1 No claims based on material defect exist for an insignificant deviation in EDENTITY services from the quality or usefulness according to the Agreement.

5.2 A claim based on material defect is also excluded based on:
a) the correctness of the manufacturer's information on the reliability or performance of a data processing system or software recommended by

b) defects in a data processing system recommended by EDENTITY, or c) entrepreneurial risks, based on decisions made or omitted regarding issues of entrepreneurial discretion, erroneous evaluation of the market situation or misjudging the practicality of business actions.

5.3 Claims based on defects also do not exist in the case of excessive or improper use, natural wear out, component failure in the system environment, software errors that are not reproducible or which the customer cannot otherwise prove, or damages that arise due to specific influences that are not provided for in the Agreement. This shall apply as well to subsequent changes or maintenance by the Party or a third party, unless such changes or maintenance do not impede analysis and elimination of the material defect.

5.4 Claims based on a material defect shall be statute-barred within six (6) months after the commencement of the statutory limitation period.
5.5 Processing of the Party's notice of a material defect by EDENTITY shall result in tolling of the limitation period only to the extent that the statutory prerequisites for such tolling are present; a resumption of the limitation period does not occur as a result. Subsequent fulfillment (new delivery or remediation of defect) can influence only the limitation period of the defect that gave rise to the subsequent fulfillment.

 $5.6\,Section\,7$ shall apply for claims for compensation of damages or expenditures.

6. Defect of Title

6.1 EDENTITY shall be liable for infringements of third party rights by its services only to the extent that services are employed in accordance with the Agreement and in particular in the environment provided for in the Agreement. Section 5.1 shall apply mutatis mutandis.

6.2 To the extent not otherwise agreed upon, EDENTITY shall be liable for infringements of third party rights only within the European Union and the European economic region, as well as at the site of use of services according to the Agreement.

6.3 In the event that a third party asserts to the Party that EDENTITY services infringe upon the third party's rights, the Party shall inform EDENTITY immediately. In the event that EDENTITY services infringe upon third party rights, at its own discretion and taking appropriate account of the Party's interests, EDENTITY shall

a) Procure for the Party the right to use the services, or

b) Design the services to be free of infringements of rights, or

c) Design the services to be free of infringements of rights, or c) Take back the services while reimbursing the Party for compensation it paid for such services less an appropriate compensation for use, if EDENTITY cannot achieve any other remedy with reasonable expenditure. 6.4 The Party shall support EDENTITY upon its demand in defending against claims pursuant to Section 6.3. Outlays and costs incurred by the Party as a result shall be reimbursed by EDENTITY. Each party shall bear the costs of time expended by its own personnel.

6.5 The Party's claims based on defects of title shall be statute-barred in conformity with Section 5.4.

6.6 Section 7 shall apply in supplement to claims for compensation of damages or expenditures.

7. Liability

 $7.1\, \text{EDENTITY}$ shall only be liable for damages incurred intentionally or through gross negligence.

7.2 EDENTITY shall not be liable for losses caused by slight negligence. However, this does not apply to the infringement of major contractual obligations through slight negligence. In the case of liability on the grounds of slight negligence, liability is limited to damages which are foreseeable or typical and the total liability for all such possible damages is limited to 20% of the total value of the contract. The total contractual value is understood to mean the Remuneration, which is due upon completion of the contract. 7.3 To the extent not otherwise required by compulsory law or statute, the following shall apply: EDENTITY is liable only to the extent it has breached a material contractual obligation (cardinal obligation). In the case of material damages and financial losses, this liability is limited to typical contractual and foreseeable damages. This shall apply as well for profits not realized and lost savings. The liability overall is limited to the value of the order; in the case of ongoing compensation, to the amount of double net compensation per contractual year. Liability for other, more remote consequential damages caused by a defect is excluded. Section 5.4 shall apply mutatis mutandis in regard to limitation period. 7.4 EDENTITY shall be liable solely for damages under a guaranty if such

liability is expressly assumed in the guaranty. This liability is subject to the restrictions pursuant to Section 6.2 in the case of simple negligence.

7.5 In the case of loss of data, EDENTITY shall be liable only for that expenditure which is required to restore data with proper data security by the Party. This liability shall arise only if the Party took proper data security actions immediately prior to the action that led to the loss of data.

7.6 Sections 7.1 to 7.4 shall apply mutatis mutandis for claims for compensation of expenditures and other liability claims by the Party against EDENTITY.

7-7. Claims for damages due to delay of performance by EDENTITY are excluded

7.8 The legal reversal of the burden of proof is excluded for claims for damages.

8. Other

8.1 The Party shall have sole responsibility for compliance with import and export regulations applicable to goods or services, in particular such regulations by the USA. In the case of cross-border goods or services, the Party shall bear any customs, fees, or other levies due. The Party shall have sole responsibility for handling any legal or governmental procedures in connection with cross-border goods or services, except to the extent otherwise expressly agreed upon.

8.2 This Agreement and any legal relationships between the Parties resulting therefrom shall be governed solely by the laws of the Republic of Austria. The application of the law of a third country, including its regulations governing conflict of laws, as well as the application of the UN Sales Convention, is expressly excluded.

8.3 Amendments to the agreement must be made in writing. This also applies to the annulment of this legal requirement of writing.
8.4 The Courts at the head office of EDENTITY shall have exclusive jurisdiction over disputes arising from and relating to this agreement.
EDENTITY can also bring suit against the customer at its registered office.
8.5 EDENTITY is free to transfer all rights accorded to it from this agreement to associated enterprises within its corporation. The client may only transfer the rights accorded from this agreement to third parties with the written consent of EDENTITY.

8.6 Should individual clauses in this agreement be or become ineffective, this shall not affect the validity of the remaining provisions. The invalid clause shall be replaced with one which comes closest to the intended purpose of the parties.

8.7 Insofar as contractual conditions are not subject to a time limit because of their nature, such as confidentiality and poaching, they shall remain in force after termination of the contractual relationship and also for any legal successor or party taking over the contract.

Seite 2/2 EDENTITY.AT