

**RF IDEAS, INC.**

**GENERAL SALES POLICY**

**EFFECTIVE DATE MARCH 28, 2013**

THE TERMS AND CONDITIONS CONTAINED IN THIS RF IDEAS, INC. GENERAL SALES POLICY (THIS “**SALES POLICY**”) TOGETHER WITH ANY APPLICABLE RIDER, ACCOUNT APPLICATION, GENERAL WARRANTY POLICY (FOUND AT [http://rfideas.com/downloads/General\\_Warranty.pdf](http://rfideas.com/downloads/General_Warranty.pdf) AND INCORPORATED BY REFERENCE) AND PRICE BOOK INFORMATION (COLLECTIVELY, THIS “**AGREEMENT**”) APPLY TO ALL SALES BY RF IDEAS, INC. AND ITS AFFILIATED ENTITIES (COLLECTIVELY, “**RFID**”) TO YOU (“**YOU**” OR “**YOUR**”) OF ANY RFID PRODUCTS (“**PRODUCT(S)**”). THE AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT AND UNDERSTANDING BETWEEN RFID 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 RFID AS DESCRIBED HEREIN BELOW, ARE EXPRESSLY EXCLUDED, REJECTED BY RFID AND ARE OF NO FORCE OR EFFECT, UNLESS OTHERWISE EXPRESSLY AGREED BY AN INSTRUMENT IN WRITING SIGNED BY RFID AND YOU.

RFID’S OFFER TO MAKES SALES TO YOU AND RFID’S ACCEPTANCE OF YOUR OFFER TO MAKE PURCHASES FROM RFID ARE EXPRESSLY CONDITIONAL ON YOUR ASSENT TO THE “**GENERAL TERMS**” APPEARING IN ARTICLE I, AND THE ADDITIONAL TERMS APPEARING IN ARTICLE 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 RFID, AND ANY APPLICABLE RIDER. RFID AND YOU MAY BE REFERRED TO HEREIN INDIVIDUALLY AS A “**PARTY**” OR COLLECTIVELY AS THE “**PARTIES**.”

**RFID RESERVES THE RIGHT TO AMEND ITS SALES POLICY ([http://rfideas.com/downloads/Sales\\_Terms.pdf](http://rfideas.com/downloads/Sales_Terms.pdf)), PRICE BOOK AND GENERAL WARRANTY POLICY ([http://rfideas.com/downloads/General\\_Warranty.pdf](http://rfideas.com/downloads/General_Warranty.pdf)) FROM TIME TO TIME BY POSTING ANY SUCH AMENDMENT ON ITS WEBSITE OR PROVIDING NOTICE TO YOU. ANY SUCH AMENDMENT WILL TAKE EFFECT ONCE SUCH AMENDED TERMS HAVE BEEN POSTED OR PROVIDED TO YOU, AND SHALL THEREAFTER APPLY TO ALL ORDERS RECEIVED FROM YOU THEREAFTER.**

**YOU AGREE BY YOUR PLACEMENT OF ORDERS WITH RFID THAT THE AGREEMENT APPLIES TO FORM THE ENTIRE AGREEMENT THAT GOVERNS EACH ORDER SUBMITTED BY YOU TO RFID. PRIORITY OF TERMS SHALL BE**

**GIVEN AS FOLLOWS: PRICE BOOK PAGES, GENERAL WARRANTY POLICY, APPLICATION AND SALES POLICY.**

**ARTICLE I.**

**GENERAL TERMS**

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

1. **Credit Limit:** YOUR credit limit is subject to the sole approval of RFID. Credit approvals are in the sole discretion of RFID which reserves the right to change YOUR credit limit at any time.

2. **Payment Terms:** YOU shall pay all undisputed portions of RFID'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 RFID invoice must be received by RFID in writing at the RFID address shown on the relevant invoice within ten (10) business days of the date on the invoice, after which period the RFID invoice shall be deemed undisputed.

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

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, RFID 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 RFID 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 RFID 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 RFID can repossess them without a breach of the peace. In the event RFID incurs collection costs or institutes suit to collect any amount owed by YOU under this Agreement, YOU agree to pay RFID's collection costs (including, without limitation, its attorneys' fees and court costs).

**B. Prices.** The prices for items sold hereunder will be the prices shown on the RFID order confirmation or any applicable Price Book information provided to YOU and in effect at the time RFID fulfills YOUR order, or as otherwise agreed on between YOU and RFID; provided, however, that if such prices are based on the purchase of a particular volume and YOU fail to purchase such volume, RFID 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. RFID's prices are subject to change without notice.

**C. Taxes.** 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 RFID is required to collect such Taxes, such Taxes will be itemized separately on the invoice and paid by YOU. RFID will accept a valid Tax exemption certificate from YOU, if applicable. If an exemption certificate previously accepted by RFID is not recognized by the governmental taxing authority involved, YOU agree to promptly reimburse RFID for any Taxes covered by such exemption certificate which RFID is required to pay.

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

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

**None of the following are considered Standard Products: cards, tags, keys, and transponders.** For additional description of items that are outside of the scope of Standard Products, please see the definition of “Custom 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 RFID'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 RFID's sole discretion.

2. **Custom Products:** “**Custom Products**” are defined as (a) 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 firmware, Product housings that are not RFID'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 ARE NON-CHANGEABLE AND NON-CANCELABLE.**

Except for Custom Product, YOU may submit to RFID requested changes to Custom Products orders at no charge to YOU up to four (4) weeks prior to RFID's designated shipment date. Nonexempt Cards/tags with custom artwork require an art proof and purchase

order by YOU and an order acceptance by RFID. Custom Products require a signed approval of the Product specification by both RFID and YOU, a purchase order by YOU, and an order acceptance by RFID. Changes made to Custom Product orders received by RFID within four (4) weeks of RFID's designated shipment date shall be subject to a surcharge of up to thirty percent (30%) 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, RFID 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 restocking charge of up to thirty percent (30%) , for all RFID approved returns for Standard Products only.

Standard Products may be returned for credit only within thirty (30) days 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 RFID's facility will be at Customer's expense.

**Except for valid warranty claims, RFID 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 RFID for a reason other than a warranted Product defect is as follows:

i. Customer shall inform RFID Customer Service that Customer wishes to return Standard Product(s) for a reason other than a warranted Product defect.

ii. Customer shall provide RFID Customer Service with the following: a. The part number and serial number of the Standard Product(s). b. The reason the Standard Product is being returned. c. The original Purchase Order number.

iii. Upon confirmation of the return request, RFID 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 RFID Sales Office within thirty (30) days of RFID's issuance of an RMA number. Any package returned to RFID without an RMA number or with a ship date later than thirty (30) days after issuance of RFID'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 restocking charge of up to thirty percent (30%).

4. **Product Warranty:** For applicable Product warranty, please see the General Warranty Policy available at [http://rfideas.com/downloads/General\\_Warranty.pdf](http://rfideas.com/downloads/General_Warranty.pdf) or from your local sales representative, and any relevant warranty terms included with the Product documentation. RFID Products are intended for consumer applications. RFID assumes no liability for the performance of Product, except as set forth in the General Warranty Policy. RFID Products are not suitable for use in biological hazard applications, nuclear control applications, radioactive areas, or any applications that provide life support or any critical function necessary for the support or protection of life, property or business interests, unless expressly set forth herein or in applicable Product documentation. YOU assume all responsibility and liability for the use of any Product in any of the foregoing applications.

**E. Order Acceptance and Shipment (Product Availability).** RFID is under no obligation to with respect to YOUR order until RFID confirms to YOU its acceptance of the order. Upon acceptance of an order by RFID and the satisfaction of all RFID prerequisites prior to delivery, RFID 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 RFID's order confirmation. All Product and documentation delivered in a tangible form shall be shipped Ex Works (EXW; INCOTERMS 2010) RFID's site (e.g., Rolling Meadows, IL or other site designated by RFID); and shall be deemed shipped upon being made available to YOUR carrier at RFID's site. Title (except as for the aforementioned security interest retained by RFID) and risk of loss or damage to hardware product, documentation media, and software media shall pass from RFID to YOU upon presentation of the hardware product, documentation media or software media to YOUR carrier at RFID'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.**

RFID will assign estimated shipment dates on orders based on the availability of Product and RFID's acceptance of YOUR order. RFID will make commercially reasonable efforts to meet its assigned shipment dates. However, RFID will not be liable for its failure to meet such dates. If YOU request or otherwise cause RFID 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. **RFID shall have no liability to YOU for delayed or cancelled shipments due to RFID's compliance with applicable trade or export regulations or sanctions.**

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

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

**G. Product Availability and Design.** RFID 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, RFID will not be required to change Product previously sold to YOU. No part of this paragraph will be deemed to affect the obligation of RFID to fill orders previously accepted.

**H. Limitations of Liability.** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE TOTAL LIABILITY OF RFID 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 RFID'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 RFID RECEIVED FROM YOU FOR THE PARTICULAR PRODUCT OR SERVICE GIVING RISE TO THE LIABILITY. RFID 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 RFID PRODUCT IS INCORPORATED.

TO THE EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL RFID 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.** 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 and Conditions 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 Sales Policy, 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 Sales Policy 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.** RFID and its licensors retain all right, title and interest in any software product, firmware, documentation and any RFID trademarks made available to YOU under this Agreement; all translations and derivatives works of the foregoing; and all RFID intellectual property rights embodied in or relating to the foregoing as well as all RFID intellectual property rights embodied in or relating to the RFID hardware. All software is licensed, not sold. Any good will arising from YOUR use of the RFID trademarks will inure solely to the benefit of RFID. No right or license is granted to YOU except as expressly set forth herein and RFID 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 RFID in or to the software, firmware, documentation or trademarks or other RFID intellectual property or confidential information made available to YOU. YOU agree to maintain the copyright, trademark and other notices that appear on the RFID items and associated media.

2. **Third Party Technologies.** The Product may include or be bundled with other technology or software programs licensed under different terms and/or licensed by a vendor other than RFID. 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. RFID is not responsible for any third party's software and shall have no liability for YOUR use of third party software. Products that include third party technology may be subject to use restrictions as notified by RFID. You acknowledge actual notice of any such restrictions and agree to use and sell such Products and otherwise operate YOUR business in accordance with such restrictions. YOU will also indemnify and hold RFID harmless from any claim, demand, cause of action or damage for which RFID might become liable, arising from or in connection with YOUR use of such Products or otherwise not in compliance with such restrictions.

**K. Services.** If YOU are purchasing any services from RFID (the "Services"), either directly or indirectly through RFID's sales channel, unless YOU and RFID have signed a written agreement to the contrary, the following terms shall apply to those Services. RFID 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 RFID'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, RFID 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 RFID. Regardless of any disclosure made by YOU to RFID of an ultimate destination of the Product, YOU agree not to export either directly or indirectly any Product or system 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.

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 Illinois without giving effect to Illinois' conflicts of laws principles thereof. Any action, suit or proceeding relating to these Sales Policy shall be brought in the appropriate federal or state court location in Cook County, Illinois, 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 RFID without RFID's express written consent; and (ii) RFID 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.

## ARTICLE II.

### RESELLER TERMS

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

**M. License Grant.** Subject to YOUR compliance with the terms and conditions of this Agreement, RFID hereby grants YOU a nonexclusive, 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 RFID 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 RFID's trademarks by YOU independently of the RFID items or associated documentation on which the RFID trademarks are supplied to YOU is

subject to the prior written approval of RFID and must in all cases be made in accordance with RFID's standard Trademark Policy and any trademark usage specifications which may be modified and provided by RFID 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 RFID'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 RFID or any firmware provided with RFID hardware; (c) to take such security measures to protect RFID's rights with respect to the products, firmware and RFID trademarks as YOU use to protect YOUR 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 RFID pursuant to this Sales Policy 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 RFID or to the RFID items provided to YOU; (b) not make any representations, warranties, or guarantees to customers concerning the RFID 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 RFID; (c) shall not advertise the sale of any RFID product to end users for less than the price RFID 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 RFID or otherwise contained in RFID's generally available marketing materials, unless expressly agreed to in writing by an authorized representative of RFID.

**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 RFID items;

(b) YOUR authorization to resell the Products is additionally conditioned upon YOUR compliance with RFID'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 RFID training (unless otherwise expressly excluded herein), including but not limited to the costs associated with YOUR travel, food and lodging when attending training at RFID's facilities; or RFID's reasonable travel, food and lodging costs if YOU request RFID 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 this Sales Policy and restrictions at least as protective of RFID and the RFID intellectual property rights as those contained in this Sales Policy.

**R. Indemnification.**

1. **Indemnification Obligation.** To the maximum extent permitted by applicable law, YOU agree to, and shall, indemnify, defend and hold RFID 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 RFID Product (a "Claim").

2. **Indemnification Procedure.** RFID 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 RFID informed of, and consult with RFID in connection with the progress of such litigation or settlement; and (b) YOU shall not have any right, without RFID'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 RFID, or requires any specific performance or non-pecuniary remedy by RFID.