

GENERAL TERMS AND CONDITIONS OF SALE CONTRACTS OF LUX-IDent s.r.o. valid from 1st of August 2016

Preamble

These General Terms and Conditions of Sale Contracts (hereinafter referred to as the “**Conditions**”) contain provisions governing negotiation, conclusion and fulfilment of sale contracts entered into by LUX-IDent (as specified below) and a contracting partner. The purpose of these Conditions is to set forth general rights and duties of the contracting parties and to simplify commercial relations between them.

I. Definitions of terms

The following definitions apply in these Conditions:

“**LUX-IDent**” means the seller, the company LUX-IDent s.r.o., with its registered office at Lanškroun, Žichlínské Předměstí, Tovární 368, Postal Code 563 01, Czech Republic, registered in the commercial register kept by the Regional Court in Hradec Králové, Part C, Insert No. 18296, ID No. 25973959, VAT No. CZ25973959.

“**Purchaser**” means a legal or natural person interested in buying LUX-IDent’s Products and/or the person which entered with LUX-IDent into a Sale contract with subject related to their entrepreneurial activity.

“**Parties**” means LUX-IDent and the Purchaser.

“**Party**” means either LUX-IDent or the Purchaser according to the context.

“**Subcontractor**” means a legal or natural person supplying goods or services which are directly or indirectly necessary for the fulfilment of LUX-IDent’s obligations arising from the Sale contract.

“**Products**” means goods or services offered for sale by LUX-IDent; particularly in relation to defects liability, final Products and semi-finished Products are distinguished.

“**Offer**” means the offer sent by LUX-IDent to the Purchaser and specified in Art. III. Par. 1 of these Conditions;

“**Confirmation**” means the acceptance of the Offer and specified in Art. III Par. 4 of these Conditions.

“**Order**” means a declaration of the Purchaser’s intention to purchase any of the Products, as specified in Art. III Par. 2 of these Conditions;

“**Sale contract**” means the contract that is concluded between the Parties at the moment of (a) delivery of the Confirmation to the Purchaser, or (b) delivery of the acceptance of the Confirmation given by the Purchaser, if the Confirmation differs from the Order, or signed drawings of the ordered Products to LUX-IDent, (c) accepting the delivery of the ordered Products by the Purchaser, in accordance with the Art. III Par. 4 of these Conditions.

“**Additional costs**” means especially costs of packaging, transportation, insurance, custom duties and custom clearance, or any of them, as the case may be;

“**Claim**” means a notification of a defect of a Product according to Art. VI Par. 4 of these Conditions.

“**Contractual penalties**” means obligation to pay a certain sum of money in case of a breach of the Sale contract. The amount of the Contractual penalties is agreed with regard to the expected extent of loss which might arise out of a breach of the relevant contractual obligations.

“**Defects liability period**” means a period during which LUX-IDent is liable for any defects of the Products which exist at the moment the risk of damage to the Products passes from LUX-IDent to the Purchaser, even though the defect becomes apparent later within that period.

“**Warranty period**” means a period starting with delivery of the Products to the Purchaser and lasting twelve (12) months.

“**Warranty defect**” means a defect of a Products which becomes apparent within the Warranty period, unless liability for such defect is excluded in compliance with these Conditions.

“**Warranty**” means the guarantee provided by LUX-IDent according to Art. VI Par. 1 of these Conditions.

“**Information**” means confidential information specified in Art. VIII Par. 2 of these Conditions.

II. Mandatory Nature of the Conditions

1. These Conditions are binding and constitute an inseparable part of any Sale contract entered into by LUX-IDent, if these Conditions are expressly referred to in the Offer, Order or in any other communication or document exchanged between the Parties in the course of negotiations.
2. LUX-IDent declares that it enters into the Sale contract only pursuant to these Conditions, and it is not bound by any terms or conditions contained in or referred to by any Order or other documents which differ from or constitute an addition to these Conditions, safe for provisions expressly agreed in a Sale contract concluded between the Parties in accordance with these Conditions. Any changes, amendments or exceptions to these Conditions are considered a counter-offer, which has to be expressly, unequivocally and unconditionally accepted by LUX-IDent in the Confirmation.
3. In the course of negotiations of a Sale contract, the Parties can agree to use other general terms and conditions than these Conditions. Such an agreement has to be in writing and also expressly stated in the Order and the Confirmation imminently preceding a conclusion of the Sale contract.

III. Conclusion of Sale contract

1. **Offer:** LUX-IDent sends an offer to sell particular Products (hereinafter referred to as the “**Offer**”) to the Purchaser at their request. The Purchaser’s request for the submission of the Offer must contain specification of the type and quantity of the requested Products, required delivery period and an e-mail address or other contact information of the Purchaser. If the

- Purchaser does not require otherwise, LUX-IDent shall send the Offer to the e-mail address contained in the Purchaser's request including the price offered for the required Products and the possible delivery period.
2. Order: The Purchaser may place an order for the requested Products in accordance with the specification in the Offer by sending a written purchase order to the LUX-IDent (hereinafter referred to as the "**Order**"). In the Order, the Purchaser specifies at least
 - (i) name or type of the ordered Products;
 - (ii) volume or quantity of the ordered Products;
 - (iii) purchase price specified in the Offer;
 - (iv) delivery address; and
 - (v) requested delivery period.The Purchaser may also place additional requirements (e.g. packaging). As regards the quantity and type of the requested Products, delivery period and purchase price, the content of the Order shall correspond to the content of the relevant Offer.
 3. LUX-IDent shall no later than within five (5) working days from the delivery of the Order corresponding to the Offer (if the Order does not correspond to the Offer, it will not be considered as Order within the meaning of these Conditions):
 - (i) request a clarification of the Order (if necessary); or
 - (ii) reject the Order; or
 - (iii) inform the Purchaser about a temporary unavailability of the ordered Products and/or any part thereof caused by a delay on the part of a Subcontractor; or
 - (iv) confirm (accept) the Order.
 4. Confirmation: LUX-IDent confirms the Order in compliance with Par. 3 point (iv) of this Article III. by sending a written confirmation of the Order to the Purchaser (hereinafter referred to as the "**Confirmation**"). In case the Confirmation differs from the Order, it is considered a new Offer and the Purchaser can accept such Offer by confirming and sending it back to LUX-IDent or by signing the Products' drawing and sending it back to LUX-IDent and/or by accepting the delivery of the ordered Products.
 5. Clarification: Should LUX-IDent request a clarification of the Order, the procedure described in Par. 2 to 4 of this Article shall be repeated until the Sale contract is concluded, or the Order is rejected, or the Purchaser are informed about a temporary unavailability of the ordered Products and/or part thereof due to delay of a Subcontractor. The clarification is not a Confirmation or assumption of an obligation to enter into a Sale contract later.
 6. Rejection of the Order: LUX-IDent is entitled to reject any Order made by the Purchaser pursuant to Par. 2 of this Article, in particular if:
 - (i) the Order does not comply with these Conditions (e.g. the Order does not contain all requisites pursuant to Par. 2 of this Article, refers to different general terms than these Conditions or contains other extraordinary requirements unacceptable for LUX-IDent); or
 - (ii) the Purchaser are in default with any payment to LUX-IDent; or
 - (iii) the ground for a rejection of the Order arises from relevant laws and/or market situation (e.g. vis major, component and/or technology used for the production of the Product is no longer available, termination of the production of certain chip modules, shortage of usable chips on the market, prohibition of use of certain materials/technologies, etc.).
 7. Temporary unavailability of the ordered Products: In case of temporary unavailability of the ordered Products and/or any part thereof caused by a delay of a Subcontractor, LUX-IDent shall inform the Purchaser about the delay, including:
 - (i) the expected term of delivery of the unavailable Products or part thereof; or/and
 - (ii) information that LUX-IDent will contact the Purchaser after it receives any information which could affect the expected term of delivery of the Products or part thereof.The Purchaser shall no later than within ten (10) working days from the delivery of the mentioned information either (a) inform LUX-IDent that they are cancelling the Order; or (b) confirm to LUX-IDent that they are still interested in the purchase of the ordered Products. In case the Purchaser are still interested in the purchase of the ordered Products, the Parties shall proceed in compliance with the Par. 4 of this Article III. The ordered Products shall be delivered to the Purchaser without undue delay after becoming available.
 8. Purchase of a Product: Based on the Sale contract, LUX-IDent undertakes to supply the Products specified in the Confirmation, including all documents necessary for takeover and use of the Products, and to enable the Purchase to obtain title to the Products, all in accordance with the provisions of these Conditions. Purchaser is obliged to take over the Products at the place and in the time agreed in the Sale contract and to pay the agreed purchase price.
 9. Orders for different kinds of Products can be made separately for each kind of Product or jointly within one Order. Such Orders can be accepted or rejected fully or partially by one LUX-IDent's Confirmation or by separate Confirmations. Unless the Parties agree otherwise, a separate Sale contract is concluded in relation to each kind of Product when Orders for more kinds of Products are confirmed.
 10. Reservation of title: LUX-IDent shall keep the title (ownership) to the Products until the Products have been paid for. The Purchaser shall become a rightful owner of the Products provided that the purchase price for the Products is paid in full.
 11. Specimens: If LUX-IDent should only supply a small amount of the Products as specimen, the Sale contract thereon is concluded at the moment of their acceptance by the Purchaser.

IV. Purchase price and payment terms

1. Unless agreed otherwise in the Sale contract, the purchase price of the Products shall be determined by the Offer according to the Art. III Par. 1 of these Conditions.
2. If LUX-IDent is to provide packaging, transportation, insurance and custom clearance (if applicable) of the Products, these Additional costs will be re-invoiced to the Purchaser.
3. LUX-IDent shall issue and deliver the invoice either as a part of the delivery of the ordered Products or separately after the delivery.
4. The Purchaser shall pay the purchase price and Additional costs, if any, by bank transfer to the bank account of LUX-IDent specified in the relevant invoice. If not agreed otherwise, the due date of any invoice shall be fourteen (14) days from the delivery of the ordered Products or from the delivery of the invoice, whichever occurs later. Invoice is considered paid on the date the due amount has been credited to the account of LUX-IDent.
5. The Purchaser may pay the purchase price and Additional costs, if any, also by card via the Internet or payment terminal, as depends on the technical possibilities of LUX-IDent.

V. Terms of delivery, storage

1. LUX-IDent shall deliver the Products within the delivery period agreed between the Parties. For the purposes of determination of the delivery period, all Orders of the same Product type made within fifteen (15) days shall be considered one Order and the delivery period begins to run from the last Order made during this period (the delivery period applies for all Products ordered by such Orders; adding new Products to an Order is considered a new Order).
2. Unless agreed otherwise in the Sale contract, the purchase price is agreed in accordance with INCOTERMS 2010 DAP delivery terms, with the delivery address specified by the Purchaser. The costs for customs duty and clearance are to be paid by the Purchaser. LUX-IDent expressly states that it can offer a different way of delivery in the Offer, particularly INCOTERMS 2010 EXW Tovární 368, 563 01 Lanškroun – Žichlínské Předměstí, Czech Republic. The offer can be made at the Purchaser's request.
3. Should LUX-IDent arrange the transportation of the Products, the ordered Products shall be deemed delivered on the date of takeover of the Products by the Purchaser or on the day when LUX-IDent delivers a written notification to the Purchaser that the ordered Products are ready to pick up at the registered office of LUX-IDent. The ordered Products shall be deemed delivered in time if LUX-IDent delivers the Products or the notification to the Purchaser at any time during the delivery period. Should the Purchaser arrange the transportation of the Products, any ordered Products shall be deemed delivered in compliance with EXW INCOTERMS 2010.
4. If the Products are to be exported from the Czech Republic and the Purchaser arrange the transportation by themselves, they are obliged to provide LUX-IDent with sufficient evidence that the Products have been exported from the Czech Republic. The Purchaser are obliged to deliver such evidence to LUX-IDent no later than three (3) working days after the export of the Products.
5. LUX-IDent is entitled to make partial deliveries of the Products.
6. If packing or transportation is required, LUX-IDent shall pack the Products in accordance with its usual practice and arrange the transportation by means it finds most appropriate.
7. The Purchaser are obliged to store the Products in conformity with the storage recommendation accessible at website of LUX-IDent. Products intended for processing by the Purchaser or by any other person are recommended to be processed within six months from delivery.

VI. Warranty period and Defects liability period

1. LUX-IDent provides a Warranty period of twelve (12) months during which LUX-IDent guarantees that the final Products will be eligible for the purpose stipulated in or arising out of the Sale contract and preserve the agreed or usual attributes (hereinafter "**Warranty**"). The Warranty period starts to run from the moment of delivery of the Products to the Purchaser.
2. LUX-IDent does not provide the Warranty for semi-finished Products (i.e. Products intended for further processing by the Purchaser or by any other person). LUX-IDent provides a Defects liability period of six (6) months for the semi-finished Products. The Defects liability period starts to run at the moment of delivery of the Products to the Purchaser and expires at the moment of their processing or after six (6) months if they are not processed within the Defects liability period. Any defects notification delivered to LUX-IDent after the expiry of the Defect liability period will not be taken into consideration.
3. Purchaser is obliged to examine the Products to the extent customary in business without undue delay after they are delivered. If LUX-IDent arranges the transportation, the examination may be deferred until the goods have arrived at the place of delivery specified in the Order.
4. The Purchaser shall notify LUX-IDent about any defects discovered in the course of the examination without undue delay or, if the defect could not have been discovered in the course of such examination, without undue delay after the defects have been discovered during the Warranty period or Defects liability period, whichever is applicable (this notification hereinafter "**Claim**"). In the Claim, the Purchaser shall specify the defect, the delivery note number relating to the Products and the Products' registration number. The Claim shall be submitted by e mail or by phone to the LUX-IDent's contact person named in the Confirmation (Claim submitted via phone shall always be followed by e mail confirmation of the Claim). The Claim must be delivered to LUX-IDent within the Warranty period or the Defects liability period. The Purchaser shall treat the defective Products as instructed by LUX-IDent. The instruction could be to send specimens of the defective Products to LUX-IDent for review. After the review, LUX-IDent can issue another instruction, in particular for the Purchaser to send all the defective Products.

5. LUX-IDent shall review the Claim, prepare a complaint protocol and inform the Purchaser about the outcome of the review. LUX-IDent shall send the complaint protocol to the Purchaser by e-mail or by registered mail. If LUX-IDent accepts the Claim, it shall:
 - (i) either supply new Products or provide the Purchaser with a financial compensation (LUX-IDent has the right of choice); and
 - (ii) pay the costs of transportation of the defective Products to LUX-IDent and the costs of transportation of the new Products to the Purchaser.
6. If the Claim is accepted, all the defective Products must be sent back to LUX-IDent. In case the defective Products cannot be sent back for any reason, the Purchaser are obliged to send a signed declaration, confirming that the defective Products have been destroyed, to LUX-IDent within 10 days following the delivery of the complaint protocol.
7. Exclusions from the Warranty and Defect liability: LUX-IDent is not liable for any defects:
 - (i) caused by processing (e.g. lamination) or improper use of the Products;
 - (ii) caused by improper storage of the Products (i.e. when storage recommendation accessible at website of LUX-IDent is not observed);
 - (iii) of the semi-final products provided by the Purchaser;
 - (iv) caused by the semi-finished products provided by the Purchaser for processing;
 - (v) which are related to parts of Products supplied by a Subcontractor, regarding which LUX-IDent has claimed their defects with the Subcontractor and the Subcontractor has not accepted such claim.

VII. Products manufactured from semi-finished products provided by the Purchaser

1. As regards Products manufactured from semi-finished products provided by the Purchaser or by any other Person on behalf of the Purchaser, LUX-IDent is responsible only for defects evident from visual examination of these semi-finished products. The Purchaser are responsible for the quality, proper functionality and compatibility of these semi-finished products with the processing method used by LUX-IDent.
2. LUX-IDent bears no liability for the quality of semi-finished products or defects of the Products caused by the semi-finished products or the number of correctly processed semi-finished products, if semi-finished products provided by the Purchaser are processed or otherwise used.
3. In case the responsibility of the Purchaser's provided for in Par. 1 of this Article VII. applies, LUX-IDent is entitled to claim damages at the amount of the costs necessary for the processing of such semi-finished products.

VIII. Product design and Know-how protection

1. LUX-IDent reserves the right to discontinue manufacturing of any or all Products in order to make changes to their design or other improvements to the Products at any time and without prior notice to the Purchaser. In case of such event, LUX-IDent is not required to change the Products previously sold to the Purchaser. Nevertheless, LUX-IDent is obliged to fulfil the Orders accepted prior to the discontinuance of manufacturing or changing the design of the Products.
2. LUX-IDent declares that it has specific and unique know-how related to the RFID Products. All the information and data provided by LUX-IDent to the Purchaser in connection with their business relationship, inclusive the information concerning the Order, the Products, pricing information, the Product technology, used materials etc., or any other information submitted by one Party to another irrespective of the form (hereinafter referred to as "**Information**") is private and confidential.
3. The Parties shall use their best efforts to secure that their respective officers, directors, employees, accountants, counsels, consultants, advisors, agents and other representatives will not use the Information in any manner in breach of the Sale contract and keep the Information confidential unless a disclosure is required by applicable law. Such restrictions shall not apply to any Information
 - (i) the Parties had in possession at the time of disclosure to the other Party; and/or
 - (ii) that can be obtained from public sources (publicly available information); and/or
 - (iii) that has already been disclosed by a third party.The Information may also be disclosed if required by any law or regulation binding on a Party. The Parties may disclose the Information to any court of law or arbitration body where such Information is relevant to the dispute or is required by such court or arbitration body.
4. The Purchaser will make sure that restrictions and obligations stipulated in this Article are respected and obeyed by all their subcontractors and representatives.
5. The non-disclosure obligation in compliance with the Par. 2 to 4 of this Article VIII. are valid for the period of five (5) years after the termination of other rights and obligations arising from the Sale contract.

IX. Contractual penalties and late payment interest

1. Should the Purchaser be in default with any payment pursuant to the Sale contract (especially with the payment of the purchase price), LUX-IDent is entitled to claim a late payment interest at the rate of 0,05 % of the due amount for each commenced day of default. The Purchaser's default entitles LUX-IDent to suspend deliveries.
2. Should LUX-IDent be in default with delivery of the ordered Products and such default is not remedied by LUX-IDent within ten (10) working days from the receipt of a written notice for remedy by LUX-IDent, the Purchaser are entitled to claim a contractual penalty from LUX-IDent in the amount of 0,05 % of the total purchase price of the concerned Products pursuant to the relevant Sale contract for each commenced day of default.

3. Contractual penalties are due within 30 days of the delivery of the notification to pay.
4. The maximal amount of contractual penalties which can be claimed by a Party pursuant to this Article, will not exceed the amount of 10 % of the total purchase price agreed in the relevant Sale contract.
5. The Parties are not entitled to claim damages suffered as a consequence of vis maior. The occurrence of vis maior shall under no circumstances result in an obligation of any Party to pay a contractual penalty.
6. No provision of these Conditions concerning a late payment interest and/or a Contractual penalty affects the LUX-IDent's right to claim damages in full extent.

X. Withdrawal from Sale contract

1. Each Party has the right to withdraw from the Sale contract if provided so in the Sale contract or allowed by the applicable law. Each Party may also withdraw from the Sale contract in case of vis maior that constitutes an obstacle for fulfilment of the Sale contract and lasts for at least 30 days.
2. LUX-IDent is entitled to withdraw from the Sale contract before the delivery date if it is apparent from the communication between the Parties that the Purchaser will not duly fulfil his obligations. LUX-IDent is also entitled to withdraw from the Sale contract if the Subcontractor is in delay with the delivery for more than thirty (30) days and/or if the Subcontractor ceases to produce the material and/or products necessary for LUX-IDent's Products.
3. Withdrawal from the Sale contract does not affect the right to claim contractual penalties and/or late payment interest which have already accrued by the day of withdrawal.

XI. Final provisions

1. In case of a conflict between the Confirmation and these Conditions, the Confirmation prevails.
2. The communication between the Parties and all notices, Orders, Confirmations, requests for clarification, rejections, Claims etc. shall be in writing. E-mail or fax communication is considered a written form.
3. Invalidity or unenforceability of any provision of the Sale contract, including these Conditions, shall not in any way affect the validity or enforceability of other provisions of the Sale contract except for the invalidated or unenforceable provisions that are an integral part of the Sale contract or are otherwise clearly inseparable from the invalid or unenforceable provisions.
4. The Sale contract or any claims arising from or in connection with the Sale contract shall not be assigned by any Party to a third party without a prior written consent of the other Party. The Purchaser may assign a claim for the purchase price, contractual penalty or damages only with prior written consent of LUX-IDent.
5. The Sale contract, including these Conditions, is governed by and construed in accordance with the law of the Czech Republic, particularly in accordance with the Act No. 89/2012 Sb., the Civil Code.
6. Any dispute between the Parties arising out of or relating to the Sale Contract shall be resolved, preferably, by amicable settlement. If no such settlement is reached within a reasonable period of time, all disputes arising from and/or in connection with the Sale contract shall be decided by the Arbitration Court attached to the Economic Chamber of the Czech Republic and Agricultural Chamber of the Czech Republic by three arbitrators in accordance with the Rules of that Arbitration Court. The arbitration proceedings shall be held in the Czech language. Prague shall be the venue of the arbitration.
7. Any amendments or changes made to the Sale contract shall be void if not executed in written form.
8. The Sale contract constitutes the entire agreement and understanding between the Parties and supersedes all pre-existing discussions, negotiations, understandings and agreements between the Parties regarding its subject matter.
9. These Conditions are executed in Czech and English version. The English version prevails in case of any interpretation problems.