

General Terms of Business

TAGnology Internetshop (Valid from 01.03.2007)

TAGnology RFID Limited operates the on-line shop www.rfid-webshop.com from its office at Grazer Vorstadt 142, 8570 Voitsberg.

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VAT identification number: ATU 636 420 35

1. Application

All deliveries, services and offers are provided by our company exclusively on the basis of these terms of business; we shall not recognise any conditions of customers that contradict or deviate from our terms of business, unless we have agreed in writing that such conditions shall apply. Similarly, no actions taken by ourselves in performance of this contract shall be interpreted as consent being given to conditions that deviate from our conditions. The terms of business are also binding between both parties to the contract for all further legal transactions.

2. Offers and conclusion of contract

Our offers are non-binding. Any contracts proposed by customers shall require a written order confirmation. This order confirmation can be replaced by the dispatch of the goods ordered to the customer and this shall lead to conclusion of contract. The customer is bound by the offer submitted to us for an appropriate minimum period of 14 days following receipt of the offer.

3. Contract language

The subject matter of the contract, together with all other information, customer service information, detailed information and settlement of complaints shall be drafted in German and English exclusively.

4. Price

Prices shall be calculated in EUROS and payments shall be completed according to the method selected by the customer (ETS, on-line cash transfer, credit card, payment on delivery). Payments made by customers shall only be considered to have been made after funds have been received in our business account. In the event of any default in payment, it shall be considered that it has been agreed that default charges at the rate of 10 % will be applied.

5. Rescission of contract

We shall be entitled to withdraw from the contract following default in acceptance (Section 8) or due to other major reasons, including, in particular, opening of bankruptcy proceedings in relation to the assets, dismissal of bankruptcy proceedings due to lack of assets, as well as default in payment on the part of the customer. In the event of our withdrawal from the contract, we shall be entitled to charge for any damages actually incurred, for a minimum lump sum of indemnity of 20% of the gross contract amount, which shall not be subject to judicial discretion.

In the event of default in payment on the part of the customer, we shall be released from all further delivery and service obligations and entitled, according to our preference, to demand advance payment or a guarantee for goods still to be delivered or to withdraw from the contract subject to the imposition of an appropriate period of grace.

If a customer unduly withdraws from the contract, we shall be entitled to accept this rescission of contract and to demand from the customer compensation for any damages that may arise, a minimum lump indemnity sum amounting to 20 % of the gross contract amount or to insist that the contract is fulfilled. If we are required to demand that the contract is fulfilled, the customer shall be bound to make an advance payment of the gross invoice amount and delivery of the order shall be completed upon receipt of payment.

6. The consumer's right of rescission in compliance with the Consumer Protection Law

Customers who are consumers within the terms of the Consumer Protection Law can withdraw from a contract concluded by means of distance selling within a period of 14 days following receipt of the delivery of the goods ordered (or from a declaration of contract submitted by means of distance selling). The period for rescission of contracts for the supply of goods begins upon the day of its receipt by the end consumer, and for contracts for the provision of services upon the day when the contract is concluded.

No right of rescission shall exist for the consumer in relation to contracts for

- a. services, of which the provision to the consumer is commenced within 7 working days of conclusion of contract, as agreed
- b. goods or services, the price of which depends on the development of rates on the financial markets, upon which the company has no influence
- c. goods that are produced according to customer specifications, which are clearly tailored to his personal requirements, and cannot therefore be returned due to their nature
- d. Audio or video recordings or software, if the customer has removed the seal from the items delivered.

When the right of rescission is exercised, the consumer must return the goods/services received at his own expense on a reciprocal basis in their unused condition, undamaged, suitable for resale as new items and in their unlabelled original packaging. If the purchased item cannot be entirely or partially returned or can only be returned in an inferior condition, compensation shall be paid as appropriate and we shall reserve the right to claim appropriate compensation for use of the goods. We shall apply a universal charge of € 20 for the cost of checking the completeness and good working order of the opened or used goods and for restoring the item to its new condition, which shall be deducted from the amount paid by the purchaser.

Following receipt of the returned goods, the consumer shall receive the payment that he has made, excluding any transport costs, additional costs and any charges or compensation to be paid by the consumer, where appropriate.

7. Dunning fees and collection charges

In the event of any default in payment, the customer must make a payment of € 3.63 for each six-monthly period for any dunning costs that we incur, amounting to a fixed sum of € 10.90 for each reminder issued and for the keeping of records in relation to the debt obligation that has been subject to dunning letters. Following an unsuccessful second reminder, we shall be entitled to appoint a debt collecting agency, the cost of which shall be reimbursed by the customer, up to the maximum amounts defined in the regulations of the BMWA (Federal Ministry for Financial Affairs), Federal Law Gazette 1996, 141 idgF.

8. Delivery, transport, transfer of risk, default in acceptance

Deliveries are normally completed within 7 days and under all circumstances within the legal period of thirty days. Notification shall be provided in writing of any exceptions to this rule. We are only bound to provide the relevant service, after the customer has fulfilled his obligations, which are necessary for the performance of the service, and in particular all technical and contractual details, preparatory work and steps. We shall endeavour to adhere as far as possible to the delivery dates that we have issued. Otherwise, our delivery dates, even if they have been confirmed by us, shall not be subject to any liability. The customer shall be entitled to withdraw from the contract, if we exceed delivery dates, subject to an appropriate grace period of at least 14 days.

Our sales prices do not include any costs for delivery, assembly or installation. At the request of the customer, however, these services may be provided or organised in return for a separate payment, while charges will be applied for transport or delivery in relation to the costs actually incurred together with an appropriate supplement for overhead charges, amounting at least to the freight and carriage charges for the selected means of transport that is appropriate and usual on the day of delivery.

If the customer has not accepted the goods as agreed (default in acceptance), we shall be entitled, following unsuccessful imposition of a grace period, to store the goods either at our premises, for which we will apply a storage fee of 0.1 % of the gross invoice amount for each calendar day commenced, or to store the goods with a merchant authorised for this purpose at the cost and risk of the customer. At the same time, we are authorised either to insist that the contract is fulfilled or to withdraw from the contract following the imposition of an appropriate grace period of at least two weeks and to make alternative use of the goods.

9. **Minor changes to services**

As far as non-consumer transactions are concerned, minor or other changes to our service or delivery obligation that our customers can be reasonably expected to accept shall be considered to have been approved in advance.

10. **Guarantee, duty to examine and obligation to give notice of defects**

For legal transactions that are not to be considered as consumer transactions in the spirit of the Consumer Protection Law, we shall respond to customers' guarantee claims subject to the presence of a repairable fault, according to our preference, either by means of exchange, repair within an appropriate period or price reduction. Goods already delivered must be checked by the customer immediately after delivery and within a maximum period of 5 working days. Written notification must be provided of any faults thereby identified immediately and within 3 working days of their discovery, stating the type and extent of the fault. Hidden defects must be reported immediately in writing and no later than 3 working days after they are discovered. If defects are not reported or not reported promptly, the goods shall be considered to have been approved.

11. **Compensation for damages**

All compensation claims for damages are excluded in the event of light fault. This shall not apply for personal injuries or for consumer transactions in relation to damages to items received for processing.

The occurrence of light or gross negligence must be proven by the injured party, as far as non-consumer transactions are concerned. Prior to the connection or transport of IT products or prior to the installation of computer programmes, the customer shall be bound to take adequate steps to safeguard any data stored on the computer system, otherwise he shall bear sole responsibility for any loss of data and all consequential damage that may occur.

Any claims for compensation due to damages resulting from defects or which arise as a consequence of defects and other material damages, financial losses and damages to third parties shall be excluded. We shall not be held liable for services provided or commissioned by third parties. The information supplied by us together with the product and product descriptions refers in all cases to the official manufacturer's information for the relevant products. We do not accept any responsibility for any printing errors, technical changes to the goods, characteristics of the goods, changes in relation to the product contents or for the on-going deliverability of the goods offered. Moreover, we do not accept liability for the information provided being up-to-date, accurate, complete or of good quality. Recourse claims in the spirit of § 12 of the product liability law shall be excluded, unless the party seeking recourse is able to prove that the fault has been caused by our company and is due at least to gross negligence.

12. **Retention of title**

Our deliveries are always completed subject to our express reservation of the ownership of the goods supplied prior to the complete payment of our invoice.

Prior to the full payment of our invoice, it is forbidden for the purchaser to assign or pledge the goods as security or to grant any other rights to third parties in relation to the goods.

The purchaser must notify us immediately in writing of any legal enforcement proceedings and other actions of third parties that violate our rights to the goods that are subject to our retention of title. The purchaser must challenge any such proceedings immediately with reference to our retention of title.

13. **Right of retention**

Where consumer transactions are concerned, the customer is not entitled to retain the entire gross invoice amount but only an appropriate proportion of this sum, following a justified complaint, except in cases where each party is restored to its pre-contract position.

14. **Copyrights, software licenses**

The customer acknowledges that all image and sound carriers and software products distributed by us benefit from copyright protection. The customer is expressly forbidden to undertake any duplication, distribution or other use of these goods that goes beyond his own private use.

Software products may only be used within the terms of the licenses issued by the manufacturer. Software may only be duplicated, adapted and decompiled within the framework of the provisions of §§ 40 d and 40 e UrhG (Copyright Law). The restrictions defined by the manufacturer in relation to the intended use of the software must be respected in this case.

15. Data protection, change of address, forwarding of electronic mail

The customer gives his express consent that all his personal information, including information contained in the purchase contract may be used by us, saved particularly by automatic means and processed in order to fulfil this contract. Customer data shall not be transferred to third parties, except if this is necessary for the contract to be fulfilled. The customer is bound to inform us to any changes of his home, business or e-mail address, for as long as the legal transaction that forms the subject of this contract has not been completed for both parties. In the absence of such a notification, any communications shall be considered to have been delivered, if they were forwarded to the last address, of which we were notified.

The customer gives his consent to the forwarding of electronic mail as bulk mail or for advertising purposes. This consent may be revoked at any time.

16. Legal domicile, applicable law, severability clause

The exclusive place of jurisdiction for all disputes that may arise from or in relation to this contract is Graz, except for consumer transactions. We shall also be entitled to instigate proceedings against the purchaser at our own discretion at the general place of jurisdiction for the purchaser.

Austrian law shall apply, provided this is not in conflict with the binding legal provisions imposed by the right of domicile of the purchaser. The application of the UN Convention on Contracts for the International Sale of Goods (CISG) is excluded.

Should any individual provisions within this contract be or become ineffective, the remaining content of this contract shall not be affected.

The parties to this contract hereby agree that, if a provision is ineffective an effective provision shall be considered to have been agreed, which approaches the ineffective provisions as closely as possibly in financial terms and in overall consideration of the contract.

17. Place of performance

The place of performance for both parties shall be Graz.

18. Ombudsman

We recognise the Internet Ombudsman as the extra-judicial arbitration board. However, this shall not dispense with the proper legal process.

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