

AVERY DENNISON GENERAL TERMS AND CONDITIONS OF SALE for RFID, as amended and updated from time to time including the Avery Dennison code of conduct available at www.averydennison.com (hereinafter collectively referred to as “Conditions”)

1. Applicability

- 1.1. These Conditions shall apply to all sales of all radio frequency identification (“RFID”) products (“Products”) made by Avery Dennison selling entity (“Seller”) to its customer (“Buyer”), whether by a written agreement including annexes between Seller and Buyer (“Agreement”), or otherwise. Seller shall include any entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the entity specified. For the purposes of this definition, control will mean the direct or indirect ownership of, (a) in the case of corporate entities, securities authorized to cast more than fifty percent (50%) of the votes in any election for directors or (b) in the case of non-corporate entities, more than fifty percent (50%) ownership interest with the power to direct the management and policies of such non-corporate entity.
- 1.2. The applicability of any general terms and conditions of Buyer’s purchase order, acknowledgement or other form in respect of any Agreement or otherwise, is explicitly rejected by Seller and used solely for the convenience of Buyer.
- 1.3. In the case of a conflict between the provision of these Conditions and Agreement between the parties, the following order of precedence shall apply: (1) the Agreement, such as a supply or sales agreement (and/or rebate agreement); and (2) these Conditions.
- 1.4. These Conditions may only be changed upon the execution of a separate written agreement signed by authorized representatives of the Seller. Receipt of contrary provisions intended to change the Conditions without such written agreement will be null and void.

2. Quotations and Orders

- 2.1. Seller’s quotation is not an offer to sell, but it is an invitation to submit an order and no contractual relationship arises there from until an order has been accepted by Seller.
- 2.2. Unless previously withdrawn, any quotation is valid for thirty (30) days or such other period as is stated therein. Seller explicitly reserves the right to withdraw or amend a quotation at any time without prior notice.
- 2.3. An order placed with Seller is an order incorporating these Conditions exclusively unless expressly agreed to by Seller in writing.
- 2.4. An order shall be in writing, with a reference number and signed by the Customer. Seller may accept any order or to refuse any order in whole or in part.
- 2.5. Orders cannot be cancelled except upon terms which will fully compensate Seller against any and all losses or expenses as a consequence of such cancellation including the purchase of any raw materials ordered for the production of Products.
- 2.6. All orders are subject to acceptance by Seller. Partial shipment by Seller does not constitute acceptance of an order.
- 2.7. If at the request of Buyer, Seller is required to keep a stock of Products, Buyer is at all times responsible for paying an amount equal to the price of the Products in inventory to Seller as well as for any raw materials needed to maintain the stock. No refund will be made to Buyer if the Agreement or otherwise terminates, for whatever reason, and the stock and the related raw materials has not yet been sold.

3. Delivery

- 3.1. Delivery is subject to the Incoterms of the International Chamber of Commerce which are in force at the relevant dispatch date. Unless a different Incoterm and destination is agreed in writing between the parties, all deliveries are based on Incoterms 2010, FCA Seller’s designated site.
- 3.2. All delivery dates mentioned in any quotation or order confirmation or other media are estimates only and do not represent any binding obligation of Seller towards Buyer unless otherwise agreed between the parties in writing.

- 3.3. Fulfillment of delivery obligations included in quotations, order confirmations, shipments and Agreements between the parties shall be subject to any national or international regulations, particularly export control regulations and embargoes or any other restrictions. Unperformed or delayed deliveries caused by export checks or licensing procedures shall override any agreed lead times or deadlines. In such cases, any claims for damages shall be excluded.

4. Inspection

- 4.1. It is the obligation of Buyer to inspect all Products (including, without limitation, non pressure-sensitive roll inlays (“dry inlays”), pressure-sensitive inlays (“wet inlays”), and RFID labels and tags). To the extent Seller has issued testing guidelines applicable for a Product, such testing must be performed by the Buyer pursuant to such testing guidelines as set forth by Seller.
- 4.2. If there is any loss or damage to the Products during shipment, Buyer shall report such loss or damage to the delivering carrier. Retaining the entire package is necessary until after a concealed damage inspection report is issued by the carrier.
- 4.3. All potential claims, not arising from loss or damage during shipment, shall be reported to the Seller, specifically to Buyer’s specific customer service team within thirty (30) days following the delivery date together with all shipment documentation.
- 4.4. All Product must be stored in accordance with Avery Dennison published guidelines.

5. Prices

- 5.1. All prices are excluding packaging charges, VAT and other taxes, duties and/or charges, unless explicitly otherwise agreed upon in writing. Such taxes, duties and/or charges shall be for the account of Buyer.
- 5.2. If Seller uses price lists for the Products sold, the prices payable for the Products shall be Seller’s list prices valid at the time of dispatch.
- 5.3. Seller reserves the right, by giving notice to the Buyer at any time before delivery, to increase the price of the Products to reflect any increase in the cost to Seller which is due to any factor beyond the control of Seller (such as, without limitation, any foreign exchange fluctuation, currency regulations, alteration of duties, increase in the cost of labour, materials or other cost of manufacture), any change in delivery dates, quantities or specifications for the Products which is requested by the Buyer, or any delay caused by any instructions of the Buyer or failure of the Buyer to give Seller adequate information or instructions.

6. Payment Terms

- 6.1. Unless otherwise expressly agreed in writing by the parties, payment of invoices shall be (i) in the invoiced currency, (ii) into the bank account specified on the invoice and (iii) within thirty (30) days or within the time-period as set out by the applicable law from the date of invoice without any setoff or discount being applied.
- 6.2. Seller shall at all times have the right to demand advance payment or cash payment before delivery of the Products or to demand security to be provided in a form approved by Seller’s authorized representative to ensure that the purchase price of the Products is paid.
- 6.3. Any extension of credit or credit limits allowed or granted to Buyer may be changed or withdrawn at any time.
- 6.4. The Buyer shall be in default (“**payment default**”) in respect of its payment obligations, if it has not paid Seller’s invoice after a written reminder by Seller, on the expiration of the payment term of the invoice. If there is a payment default by Buyer, Seller has the right to charge interest of one and a half

per cent (1,5%) per month or, if lower or higher, the statutory interest under the applicable law over the outstanding amount. For the purposes of this clause, part of a month will be deemed to be a month. All judicial and extra-judicial costs, incurred by Seller with respect to the payment default by Buyer are for the account of Buyer. The extra-judicial costs will be minimum ten per cent (10%) of any outstanding amount or, if lower or higher the amount under the applicable law.

- 6.5. Seller may always at its sole discretion and without any notice being applicable, set-off any amount and/or charge due by Buyer with any amount payable by Seller to Buyer. Buyer does not have the right to set-off its payment obligations against the amounts payable to it by Seller.

7. Retention of Title

- 7.1. Notwithstanding delivery and passing of the risk under the relevant Incoterms, the ownership of the Products shall be retained by Seller and shall only be transferred to Buyer when Buyer has fully complied with all of its obligations contained in or arising from these Conditions and any Agreement between the parties, including payment.
- 7.2. If Buyer is in default in complying with any obligations arising from these Conditions and/or any Agreement between the parties, Seller shall have the right at all times to obtain possession of or inspect the Products for which title has been retained, wherever they are located, without prejudice to Seller's other rights to compensation in connection with Buyer's default.

8. Intellectual Property

- 8.1 Each party retains all right, title, and interest in its respective trade secrets, inventions, copyrights and other intellectual property. Buyer does not acquire any ownership interest in any Products provided to it as part of this Agreement. Buyer will not enforce against Seller its vendors or its other buyers, any copyrights or patent rights that include any system, process or business method utilizing any intellectual property in all Products provided to Buyer. Buyer will not remove, modify, or obscure any copyright, trademark, or other proprietary rights notices that appear on any Products or other materials provided by Seller. No license or right, either directly or by implication, is granted to Buyer or its employees to use any intellectual property of Seller, including, but not limited to, Seller's name or any of Seller's logos and designs for advertising, promotional or other purpose without the prior written permission of Seller. Materials used by Seller in the production process, whether held electronically or otherwise, will remain Seller's exclusive property.
- 8.2 All Buyer's logo's, trade names, or trademarks owned or used by Buyer in the course of its business ("Marks"), are the sole property of Buyer and Buyer will retain the intellectual property rights in relation to the use of such Marks. In case this is required for the performance of the obligations under the Agreement and/or these Conditions, Buyer shall grant Seller a free of charge and non-exclusive license to use the Marks for the term of the Agreement or until the obligations of Seller under these Conditions have been fulfilled. Buyer indemnifies and holds Seller harmless against any and all costs (such as, but not limited to (third party) claims, demands, liabilities, losses, damages, settlements, judgments awards) that may be sustained or incurred by Seller in relation to, or as a result of, the use of the Marks, if and to the extent such use of Marks is prescribed by Buyer in relation to the Agreement and/or these Conditions.
- 8.3 No clause in the Agreement nor in the Conditions is construed as granting or implying to Buyer any rights to the Product under any letters patent, or other intellectual property rights, or to use any invention covered thereby. If the Products are to be manufactured or any process is to be applied to the Products by Seller in accordance with a specification submitted by the Buyer, the Buyer will indemnify Seller against all loss, damages, costs and expenses awarded against or incurred by Seller in connection with or paid or agreed to be paid by Seller in settlement of any claim for infringement of any patent, copyright, registered design, design, trade mark or other

industrial or intellectual property rights of any other person which result from Seller's use of the Buyer's specification.

- 8.4 Seller may provide Products under one or more third party licenses and Seller shall pass through to Buyer and Buyer's customers such rights as are permitted under those licenses to allow Buyer and its downstream customers to use the Products as contemplated by the sale of Products.

9. Infringement

In the event the Product and/or service originated by Seller is found or alleged to infringe any third party's proprietary rights, and such allegation arises solely out of Seller's published specifications and not Buyer's adaptations, modifications or requirements, Seller's sole responsibility to Buyer and at Seller's option shall be to (1) obtain for Buyer the right to use the infringing Product and/or service, or (2) replace the infringing Product and/or service with a non-infringing alternative, or (3) modify the infringing Product and/or service so that it becomes non-infringing. Seller will have the option to determine which of options (1), (2) or (3) to effectuate.

In the event that Seller cannot redress the claim of infringement or that the remedies available to Seller are not commercially practical, Seller shall refund to Buyer an amount equal to the Products and/or services purchased from Seller that gives rise to such claim.

Seller shall have no obligation or liability to Buyer for the claims: (1) to the extent that such claim arises from: (i) modification of the Product if the claim of infringement would have been avoided by use of the unmodified Product; (ii) design, specifications or instructions furnished by Buyer; (iii) the combination of the Product with any other product, service or technology; or (iv) the use of the Product or any part thereof in the practice of a process if Buyer does not incorporate the Product into a device of which the end-user is a consumer; (2) to the extent the claim is based directly or indirectly upon the quantity or value of Products manufactured by means of the Product or upon the frequency of use or the amount of use of the Product irrespective of whether such claim alleges that the Product as such, or its use, infringes or contributes to the infringement of any intellectual property rights of the claimant; (3) for unauthorized use or distribution of the Product or use beyond the specifications of the Product; (4) to the extent any such claim arises from Buyer's manufacture, use, sale, offer for sale, importation or other disposition or promotion of the Product after Seller's notice to Buyer that Buyer should cease any such activity, provided such notice shall only be given if the Product is, or in Seller's opinion is likely to become, the subject of such a claim of infringement; or (5) for any costs or expenses incurred by Buyer without Seller's prior written consent; or (6) to the extent any such claim arises from any infringement or alleged infringement of third party's intellectual property rights covering a standard set by a standard setting body and/or agreed between at least two companies, (7) for infringement of any third party's intellectual property rights covering the manufacture, testing or application of any assembly, circuit, combination, method or process in which the Product may have been used, (8) for infringement of any third party's intellectual property rights with respect to which Seller or any of its Affiliates has informed Buyer or has published (in a datasheet or other specifications concerning the Product or elsewhere) a statement that a separate license has to be obtained and/or that no implied license is granted, or (9) where the claim is made after a period of three (3) years from the date of delivery of the Product to Buyer.

10. Warranty

- 10.1 All statements, technical information and recommendations about Products are based upon tests believed to be reliable but do not constitute a guarantee or warranty. All Products are sold with the understanding that Buyer has independently determined the suitability of such products for its purposes.

Products are warranted to be free from defects in materials and workmanship for six (6) months. Any product shown, using Seller testing methods, not to comply with the above warranty shall be replaced without charge or Seller may issue a credit in such amount as it deems reasonable;

10.2 Should any failure to conform to Seller's warranty appear within a one (1) year period, Buyer's sole and exclusive remedy shall be, at Seller's option, either crediting, in whole or in part, the Buyer with the purchase price of the affected Products, or replacing the affected Products or any affected part or parts thereof.

10.3 In addition to the warranties and remedies set forth above, in the event a roll of pressure-sensitive inlays or RFID labels or tags (but specifically excluding non-pressure sensitive inlays) contain more than ten percent (10%) defective products, Buyer may, at its election, return the entire roll of such labels, tags or pressure-sensitive inlays for a refund of the price of the roll. The remedies set forth above are exclusive and in lieu of any other remedies, whether in law or in equity. No express warranties and no implied warranties whether of merchantability, fitness for any particular use, non-infringement of any statutory or common law intellectual property interest, including any patent, trademark, copyright, trade dress, trade name, or trade secret interest, or otherwise, except as set forth above (which is made expressly in lieu of all other warranties) shall apply to the Products. Seller specifically disclaims and excludes all other such warranties.

11. Liability

11.1 Subject to any limitations or exclusions imposed by mandatory applicable law, Seller's aggregate liability to Buyer, whether for negligence, breach of contract, misrepresentation or otherwise, shall be limited to direct damage only and shall not exceed the price of the defective, non-conforming, damaged or undelivered Products which give rise to such liability as determined by net price invoices to Buyer in respect of any occurrence or series of occurrences.

11.2 The Buyer shall indemnify Seller against any and all losses, damages, and expenses including attorneys' fees and other costs that Seller may sustain in defending any action based upon any claim of negligence, breach of implied warranty, or similar claim arising directly or indirectly from the act, omission, or negligence of the Buyer in connection with or arising out of the use, operation, replacement, or repair of any product described hereunder and sold by Seller to Buyer.

11.3 Seller shall not be liable to Buyer for any indirect, incidental or consequential loss, damage or injury, including without limitation, loss of anticipated profits, goodwill, reputation, or losses or expense resulting from third party claims.

12. Force Majeure

Neither party shall be liable for its failure to perform any of its obligations hereunder during any period in which such performance is delayed or made impossible by force majeure including, but not limited to, fire, flood, (civil) war, serious domestic disturbances, mechanical breakdown, failures of carriers, embargo, riot, labor unrest (including but not limited to strike, go-slow, work to rule), the intervention of any governmental authority, or any causes or contingencies beyond a party's reasonable control, provided that the party who cannot perform as a result of such force majeure notifies the other party of the delay and the reasons thereof.

13. Confidentiality

Buyer shall not disclose to any third party any and all information regarding the design of the Products, any drawings, specifications, test results, Product samples, quotations, prices, marketing materials and other terms of sale ("Confidential Information") received from Seller in connection with the Agreement and/or these Conditions, and shall use the Confidential Information exclusively in fulfilling its obligations and commitments towards Seller, except as and to the extent required by law or with written approval of Seller.

14. Assignment

None of the rights or obligations of Buyer under the Agreement and/or these Conditions may be assigned or transferred in whole or in part without the prior written consent of Seller.

15. Waiver

15.1 No waiver, alteration or modification of these Conditions shall be valid unless made in writing and signed by an office of Seller.

15.2 No failure to exercise or delay in exercising on the part of Seller any right or remedy hereinafter shall operate as a waiver thereof.

16. No Third Party Beneficiaries

These Conditions are made for the sole benefit of the parties thereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy.

17. Severability

Each paragraph and provision of these Conditions is severable and if any provision is held invalid or unenforceable the remainder shall nevertheless remain in full force and effect.

18. Jurisdiction and Applicable Law

18.1 These Conditions shall be governed by and construed and interpreted in accordance with the laws of the country of Seller's registered seat ("Applicable Laws"). The provisions of the United Nations Convention on Contracts for the International Sale of Products ("the Vienna Convention") shall not apply.

18.2 Any disputes arising out of or in connection with any order or sale agreement between Seller and Buyer shall be brought before the competent courts of Seller's registered seat.

19. Compliance

19.1 Seller will not be under an obligation to manufacture or supply any matter that, in its opinion, may be of an illegal/non-compliant nature.

19.2 All Products are manufactured in compliance with all applicable requirements of the Fair Labor Standards Act, as amended, and all other applicable laws. Seller filed a Conflict Minerals Disclosure and Report on May 29, 2015. For additional details and to read the Avery Dennison Conflict Minerals Policy, please visit www.averydennison.com Sustainability Reports & Downloads.

19.3 Buyer shall comply with all Applicable Laws and regulations including but not limited to the relevant European Union and U.S.A. laws and regulations on export and Buyer shall not export or re-export any of Seller's and/or its affiliates' technical data or Products to any country, party or entity to which export or re-export is forbidden by the European Union and/or the U.S.A.

19.4 Buyer shall comply with the provisions of any applicable anti-bribery laws including, but not limited to, the UK Anti-Bribery Act, the "Foreign Corrupt Practices Act" ("FCPA") of the United States of America and the OECD Convention on Combating Bribery of Foreign Public Officials ("OECD").

20. Default

If Buyer does not comply with its obligations under these Conditions and if allowed by the Applicable Law, Buyer shall promptly be deemed to be legally in default, without any notice and without legal action being required. In that case and unless otherwise agreed: (i) Seller shall be entitled to suspend its obligations under these Conditions including but not limited to suspending the supply of Products without relieving Buyer from its obligations, and (ii) all amounts and interests payable by Buyer shall become immediately due to Seller without any rebate allowance. Seller may also terminate the order or any part hereof if Buyer has filed for bankruptcy or other insolvency proceeding. In the event of termination for cause, Seller shall not be liable to Buyer for any amount.

21. Audit

Buyer will maintain complete and accurate records of the fees and expenses under these terms at least twelve (12) months after the termination or expiration of an agreement between the parties, and will make such records available to Seller during normal business hours upon reasonable advance written notice. Buyer will provide copying capability and work space and cooperate in any audit of such records that Seller may undertake; Buyer will cooperate in any audit of such records that Seller may undertake; provided, however, that any such audit will be at Buyer's sole expense, or credits received within thirty (30) days from the date of the audit.