



## General Terms & Conditions of Business of ImageWare AG

### 1. Area of application

- 1.1. These General Terms & Conditions of Business (GTCs) govern the conclusion, content and performance of contracts for IT services such as consulting, the procurement and maintenance of hardware and software, support, training and the hiring of IT staff.
- 1.2. ImageWare AG (hereinafter referred to as the "Company") refers to the applicable GTCs in the offer and in the contractual document. The GTCs are deemed to have been accepted when the customer submits an order.
- 1.3. Any deviations from these GTCs are set down in writing in the order documentation (contractual documents, service descriptions, etc.).

### 2. Scope of service

- 2.1. The scope of service shall correspond to the accepted offer or be stipulated in more detail in an additional contract (e.g. framework contract).
- 2.2. In the case of additional services, the Company shall invoice the service requested by the customer, e.g. training, project management, hardware/software support, etc., separately at its list prices based on time and materials used. The Company shall undertake to inform the customer of its prices prior to performance of the additional services.

### 3. Changes to service

- 3.1. Both contractual parties may submit written requests for changes to the agreed services to the persons responsible in accordance with organizational project management.
- 3.2. If such changes are expected to affect costs or deadlines, the changes to service shall be offered by the Company within a time frame to be agreed. The offer shall include an estimate of the necessary additional services and the consequences for the project as a whole, in particular as regards costs and deadlines. It shall indicate whether or not the project should be suspended in full or in part until the decision to proceed with the change has been made and point out the effect of such suspension on remuneration and deadlines.  
The Company shall continue its work in compliance with the contract unless the customer explicitly instructs that the project is to be suspended while the proposed changes are considered.
- 3.3. The change to the service, as well as any amendments in respect of remuneration, deadlines and other contractual aspects, shall be set down in a written addendum to the contractual document before it is carried out.

### 4. Execution

- 4.1. Execution shall take place using recognized project management methods.
- 4.2. The Company shall provide the customer with progress reports on the work on a regular basis.

### 5. Duty of cooperation

- 5.1. The customer shall undertake to supply the Company with timely and complete information and documentation required and requested for proper performance of the contract prior to the agreed start of the work, and to issue the requisite authorizations. In particular, the customer shall grant the Company the necessary access to its premises and server room, disclose passwords, ensure that system access is granted, check the network connections and pro-

cure the requisite software. The customer shall also provide suitable workstations if required.

- 5.2. Any additional expenses incurred by the Company as a result of its work being hampered or added to because of the customer providing inaccurate or incomplete information, subsequently correcting information or failing to discharge of its duty of cooperation properly shall be borne by the customer.
- 5.3. The Company shall undertake, also on behalf of its staff, to observe the customer's operational regulations, and its house rules in particular.
- 5.4. The contractual parties shall submit the name and function of the responsible persons in writing. These persons shall be deployed in accordance with organizational project management.
- 5.5. The contractual parties shall notify one another immediately and in writing of any circumstances from their domains that could jeopardize fulfillment of the order in compliance with the contract.
- 5.6. Any further duties to cooperate on the part of the customer shall be agreed in the contractual document on a case-by-case basis.

### 6. Deployment of personnel

The Company shall deploy only carefully selected and well-trained staff.

### 7. Remuneration

- 7.1. The customer shall be obliged to remunerate the Company for software, hardware and services in accordance with the respective order.
- 7.2. The Company shall invoice software and hardware deliveries separately.
- 7.3. Remuneration for services rendered shall either be based on time and materials used without an upper limit or based on time and materials used with an upper limit or at fixed prices. The Company shall state its cost rates at the customer's request.
- 7.4. In the case of remuneration based on time and materials used (with or without an upper limit), invoices shall be issued monthly for the services rendered to date. The Company shall provide a report to accompany the invoice, stating the individual services, the time and materials used and the expenses of each staff member deployed per day.
- 7.5. In the case of fixed prices, invoices shall be issued after the respective service has been rendered.
- 7.6. If the contractual parties have agreed a payment plan, invoices shall be issued in accordance with this plan. In the case of small orders, the Company can issue one single invoice in lieu of monthly invoices.
- 7.7. Invoices shall be due with immediate effect and are payable net within 30 days of receipt.
- 7.8. If partial payments have been agreed, the Company can require that the customer guarantees outstanding payments in the form of a surety from a Swiss bank that is payable on first demand.
- 7.9. Remuneration shall cover all services necessary for proper performance of the contract, in particular all social benefits and other compensatory payments for illness, disability and death, as well as public levies (including VAT) applicable at the time when the contract was signed. No. 3 above shall apply in cases of changes to service.



- 7.10. In the absence of any agreement to the contrary, payment shall be rendered in CHF.
- 7.11. The Company's remuneration shall be adjusted to take account of inflation at the beginning of each calendar year (in accordance with the Swiss consumer price index for November of the previous year). Furthermore, the Company shall be entitled to increase its remuneration by no more than 5% once a minimum contract period of 3 years has elapsed, should such a rise be substantiated by cost increases at the Company. The Company shall announce any such rises at least 3 months in advance, providing appropriate reasons and evidence.
- 7.12. Remuneration shall be payable by the customer even if warranty services still have to be rendered following delivery of the software/hardware. Differences of opinion between the contractual parties regarding the interpretation and performance of the software/hardware contract shall not entitle the customer to defer payment or to modify its payment arrangements.
- 7.13. Prices shall be subject to amendment at any time should the authoritative calculation bases change and/or exchange rates fluctuate.
- 8. Copyright**
- 8.1. The Company shall provide the customer with an undertaking that its offer and services do not infringe any third-party copyright. Should the customer contribute services of its own, it shall provide the Company with an undertaking that no third-party copyright is being infringed.
- 8.2. However, should the Company have unintentionally infringed any third-party copyright, it shall have the option of either procuring the requisite rights of use as stipulated in the contract from the third party within 30 days or of replacing the software accordingly, thereby ensuring that the copyright is no longer infringed.
- 9. Confidentiality**
- 9.1. The parties shall undertake to treat as confidential all information about the other party that is not in the public domain and to refrain from disclosing such information or making it accessible to third parties. In cases of doubt, data and information shall be treated confidentially.
- 9.2. The obligation to observe secrecy shall take effect prior to conclusion of the contract and remain in force after the contractual relationship has ended.
- 9.3. The obligation to observe secrecy shall also extend to employees and agents of the parties.
- 10. Default**
- 10.1. Should the contractual parties fail to adhere to the deadlines specified as constituting default in the contract documentation, they shall be deemed to be in default immediately. In the case of other services, the other party shall first issue a written warning and set a reasonable time limit, upon fruitless expiry of which the respective party shall be deemed to be in default.
- 10.2. Should a contractual party be in default, the other party may withdraw from the contract after setting the defaulting party a reasonable period of grace and threatening to withdraw should it fail to be met.
- 10.3. Should the Company be in default as a result of changes subsequently demanded by the customer, the Company shall not be held liable for the delay.
- 11. Liability**
- 11.1. A contractual party shall be liable for direct loss or damage arising from the contractual relationship caused either by it or by a third party acting on its behalf, unless it can prove that neither it nor the third party acting on its behalf was at fault. It shall be liable for the amount of the resulting damage up to a maximum of CHF 1,000,000. This limit shall not apply in respect of liability for personal injury and damage to property.
- 11.2. Any claims of the customer in respect of warranty, delay, non-performance and compensation beyond those specified in the contracts, whatever their legal basis, shall be excluded to the fullest extent permitted by law. In particular, the Company shall not be liable for indirect damage, consequential losses or loss of earnings.
- 12. Collateral agreements and amendments to the contract**
- All collateral agreements and amendments to the contract shall be invalid unless made in writing.
- 13. Termination of the contractual relationship**
- 13.1. The contract may be terminated in writing by either party at any time, giving 30 days' notice.
- 13.2. No. 13.1. shall not apply to software and hardware maintenance contracts. Software and hardware maintenance contracts shall automatically be extended by 12 months unless they are terminated in writing 3 months before the end of their initial term.
- 13.3. In the case of a serious breach of contract, the affected contractual party can terminate the contractual relationship without notice at any time. The right to assert claims for damages shall remain reserved.
- 13.4. In the event of termination, remuneration shall be calculated on the basis of services rendered.
- 13.5. Should the customer terminate the contract after the Company has already procured hardware or software on its behalf, the customer shall owe the Company payment for these goods. The customer shall owe the Company payment for the hardware and software against its delivery, even if the hardware and software is still on the Company's premises. In other respects, the purchase of hardware and software is governed by the respective provisions of the UN Convention on Contracts for the International Sale of Goods.
- 13.6. Following termination of the contractual relationship, the Company shall hand over all documents received from the customer and all work results, including those in written or machine-readable format, to the customer without prompting.
- 13.7. Further provisions related to termination shall be agreed separately where required.
- 14. Assignment and pledging**
- The Company may assign the rights and obligations arising from this contract to a third party either in full or in part in duly substantiated cases. This assignment shall not take effect should the customer object in writing within **30 days** of receiving notification to this end.
- 15. Applicable law and jurisdiction**
- 15.1. In other respects, Swiss law shall apply to the contractual relationship.
- 15.2. The place of jurisdiction for all disputes arising from this contract shall be Bern (Bern-Mittelland).