TERMS AND CONDITIONS OF MAINTENANCE PROGRAM

Validity: From May 2nd, 2016

1. SCOPE OF APPLICATION

1.1 These terms and conditions shall be applied when METAG Corporation (hereinafter the “Supplier”) provides the Customer with Software Updates, Equipment Maintenance Services and Calibration Services as part of the Maintenance Program.

1.2 These terms and conditions supplement the General Terms and Conditions of the Supplier and the terms and conditions of the Maintenance Program Agreement (“Maintenance Agreement”, see Clause 6.1). In case of discrepancy between these terms and conditions, the General Terms and Conditions of the Supplier and the Maintenance Agreement, the documents are interpreted and adhered to in the following order: (1) the Maintenance Agreement, (2) these terms and conditions, (3) the General Terms and Conditions.

2. DEFINITIONS

2.1 "Product" shall mean Tagformance™, Tagsurance™, Reelsurance™, Readformance™ or Bendurance™ and possible other measurement devices, components, computer programs, media and any written material related thereto manufactured or produced or provided by the Supplier and specified in the Maintenance Agreement. The Accessories, unless otherwise stated, are not covered by the Maintenance Program.

2.2 "Standard Software" shall mean a computer program which is marketed and licensed as part of the Product.

2.3 "Function" shall mean a measurement function of the Standard Software.

2.4 "Update" shall mean an improvement to an existing Function.

2.5 "Equipment Maintenance Service" shall mean repair of defects and faults occurred in the Product.

2.6 "Calibration" shall mean the process of comparing the measurement results of the Product (i.e. the RFID Measurement Unit) to traceable standard. The process may, or may not, include adjusting the hardware or software accordingly.

2.7 "Extended Warranty" extends the standard warranty for the period of the paid Maintenance Program. The Supplier may or may not give extended warranty for a Product that has been opted out of the Maintenance Program between the current date and the original delivery. In this case the Supplier may reserve the right to inspect the Product before validating the extended warranty.

2.8 Any term not specified in this document shall have the meaning as defined in the General Terms and Conditions of the Supplier and/or in the Maintenance Agreement.

3. SOFTWARE UPDATES FOR TAGFORMANCE

3.1 The Supplier shall implement one major Update to the Standard Tagformance Software annually. The Update shall include improvements to the existing version of the Standard Tagformance Software, but the Supplier is not obliged to issue modifications to all the Functions of the existing version of the Standard Tagformance Software. The Customer is entitled to receive the Update free of any separate maintenance charge. The Update is sent automatically to the Customer [by mail / by e-mail].

3.2 If the Supplier implements additional Updates (i.e. updates other than the one specified in Clause 3.1 hereto) during the term
of the Agreement (small Updates), the Customer is entitled to receive the Updates free of any separate maintenance fee. The Updates are sent automatically to the Customer [by mail / by e-mail].

3.3 If the Supplier implements two (2) or more small Updates in a year, the Updates together may be deemed to be the Update specified in Clause 3.1 hereto, provided that the small Updates together are significant enough to constitute a major Update. In such a case the Supplier is not obliged to implement a separate major Update for the year in question.

3.4 The copyright, patent and other intellectual property rights related to the Updates are the sole property of the Supplier or a third party. The Customer will be granted a license to use the Updates in the Product as set forth in Clause 3 of the General Terms and Conditions of the Supplier (License to Standard Software).

4. CALIBRATION SERVICE

4.1 The Customer is entitled to one Calibration of the RFID Measurement Unit of the Product each calendar year during the term of the Maintenance Agreement. A new device is calibrated when it is prepared for delivery. The calibration is considered to be performed for the period of the first maintenance year. The Calibration has to take place during the Maintenance Period and never later than three months after the expiry of the Maintenance Period. The Customer is entitled to charge the Customer for additional Calibration services.

4.2. Unless otherwise agreed between the Parties, the Calibration shall be performed at the Supplier’s site in Taiwan. The Customer shall send the RFID Measurement Unit of the Product for the Calibration at its own cost and packed as instructed by the Supplier. Unless otherwise agreed, the Supplier shall send the calibrated unit back to the Customer [by post / via courier service]. The Supplier is entitled to charge the Customer for the shipping costs.

4.3. Unless otherwise agreed between the Parties, the Supplier shall perform the Calibration within seven (7) working days after receipt of the RFID Measurement Unit shipped for Calibration.

5. EQUIPMENT MAINTENANCE SERVICE

5.1 The Supplier shall provide the Customer with Equipment Maintenance Service in the event the Product is defected. The Equipment Maintenance Service provided against the recurring charge covers repair work but it does not cover spare parts, components and materials needed. The Supplier is entitled to charge the Customer for the spare parts, components, and materials needed, unless they are covered by the Warranty.

5.2 Unless otherwise agreed in writing, the Equipment Maintenance Service shall be performed at the Voyantic’s site in Finland. The Customer shall send the Product for the repair at its own cost and packed as instructed by the Supplier. Unless otherwise agreed, the Supplier shall send the repaired Product back to the Customer [by post / via courier service]. The Supplier is entitled to charge the Customer for the shipping costs.

5.3 The Customer shall provide the Supplier with a problem report that contains a description of how the defect or fault occurs. Unless otherwise agreed between the Parties, the Supplier shall start the diagnosis and repair of defects and errors within seven (7) working days after receipt of the defected Product and the problem report at the latest and shall continue the measures during the regular daily working hours of the Supplier.

5.4 The Equipment Maintenance Service provided against the recurring charge does not cover the repair of a defect or fault attributable to use contrary to the User Manual or the instructions given by the Supplier or to a non-Supplier product or change or correction made by the Customer or a third party. Additionally,
the Supplier is not obliged to repair the Product, if the diagnosis shows that the defected Product is damaged beyond repair (i.e. the Product cannot be repaired with reasonable effort).

5.5 If it is established that the defect or error reported by the Customer is not covered by the maintenance service, the Supplier shall be entitled to charge for the error diagnosis and location of defects and errors in accordance with the Supplier's current price list of that point of time. The Supplier shall also be entitled to charge the Customer for agreed repairs of defects or errors and agreed other measures which are not covered by the Maintenance Service.

6. TERM OF THE AGREEMENT

6.1 The Maintenance Agreement enters into force as the Supplier sends an Order Confirmation to the Customer after receiving a Purchase Order concerning Maintenance Program from the Customer and it shall remain in force as stated on the Order Confirmation. Maintenance Program renewal takes place as the Maintenance Program invoice is paid in full and the Maintenance Period is thus extended for the invoiced and agreed amount of years counting from the original expiry date.

6.2 The period of notice is 30 days. The period of notice shall be calculated from the last day of the month during which the written notice has been given.

6.3 The Maintenance Agreement can be terminated to expire after one year from the date of entering into force at the earliest.

7. PRICING, TERMS OF PAYMENT AND INVOICING

7.1 The Services shall be charged by the Supplier in accordance with Supplier's price list of that point of time.

7.2 The Supplier shall invoice the recurring maintenance charges in advance in the beginning of the renewed maintenance period.

7.3 Spare parts, components, materials and other costs not covered by the recurring maintenance charge or warranty shall be invoiced after the services they relate to are performed.

7.4 The term of payment is ten (10) days net from the date of invoice. An overdue interest of 16 percent per month shall accrue on delayed payments.