



## Licence Agreement

Entered into by and between  
TE-FOOD International GmbH  
Licensor – hereinafter referred to as **TE-FOOD**

and  
the Licence Buyer – hereinafter referred to as **Licensee**

## Preliminary remark

TE-FOOD has developed a system for the tracking and monitoring of food, farm produce and agricultural goods. This shall be hereinafter referred to as 'TE-FOOD System.' This can be used for electronic tracking, qualification and certification of process steps and movements of food and agricultural products (including live animals and plants or intermediate products and goods in the food sector). The primary function is tracking throughout the process chain from the producer to the food retailer. Moreover, goods and products can be monitored in warehousing and logistics processes.

The system provides participants in the supply chain, including authorities and end users, with data recorded in relation to process steps. This means monitoring, documentation and food control are guaranteed to be up-to-date.

This constitutes an international system, which is gradually being installed in various different countries.

The following groups are addressed as B2C system users:

- End users (smartphone or mobile/web application users, who scan the QR code or other TE-FOOD identification materials for packaging, containers or documents to get notified of information on the food production chain).
- Other consumers, buyers or users of food
- Natural persons who use the TE-FOOD B2C app
- Associations, organizations, authorities and institutions in the food sector

The following groups are addressed as B2B/ business customers

- Farms and agricultural production companies
- Food manufacturers
- Slaughterhouses
- Food producers and processing factories
- Wholesalers, chain stores, import/export businesses in the food sector
- Logistics, transport and distribution operations or companies and persons in the support sector for food logistics
- Veterinary, expert and scientific facilities
- Authorities in the food monitoring sector
- Other institutions in the area of food control and monitoring
- Government-related institutions
- Regional or national implementation partners of TE-FOOD
- Machine manufacturers, maintenance partners and packaging producers
- Companies in the quality assurance sector
- Organizations in the food or nutrition sector
- Statisticians
- Producers of machines, packaging and identification labels in the food sector

This includes employees of the abovementioned B2B customers, who have access to the system and have been identified as registered users.

## **§ 1 Subject of the agreement**

TE-FOOD enters into a purchase agreement with Licensee in respect of a software licence hereinafter referred to as 'TE-FOOD licence'. This 'contractual relationship' in respect of a software licence shall be concluded and stipulated as follows.

## **§ 2 Software licence**

The TE-FOOD system can only be used with a valid licence. TE-FOOD licences are sold to the Licensee for a planned use of the system. TE-FOOD shall ensure that the current system can be used immediately with purchased licences.

## **§ 3 Sales unit and sales price**

The TE-FOOD licence is offered and sold to the Licensee in sales units at a list price of 0.05 USD or 0.04 EUR.

## **§ 4 Sub-licences and utilization units**

The TE-FOOD licence can be subdivided into utilization or tracking units of up to 18 decimal points, used and tracked. The TE-FOOD licences sold within the framework of this contractual relationship consist of 10,000 TE-FOOD sub-licences or utilization units.

## **§ 5 Tracking transactions**

Each user must have at least one TE-FOOD sub-licence or utilization unit to use the system and trigger tracking transactions. A tracking transaction involves the storage of data in the block chain, allowing for tracking or further processing. By means of the transaction, data are retrieved or a tracking transaction is executed, i.e. a data set is written in the block chain (read or write access executed).

## **§ 6 Transaction potential and transaction fee**

Each TE-FOOD sub-licence or utilization unit entitles the holder to trigger a maximum of 5 transactions a day. This volume of access is referred to below as tracking potential or transactions potential "TP". The transaction fee or tracking fee is charged for each read and write activity related to the TE-FOOD block chain, in addition to the necessary licence. The transaction fee - 'TF' - is 0.006 USD per transaction. This transaction fee is payable to TE-FOOD or the local TE-FOOD implementation partner.

The transaction fee "TF" may vary by region or in relation to the project, depending on the gross national product, public subsidies and the general infrastructural situation in each country, and depending on the number of stored and storable data in the regional block chain. The general conditions for calculating the current regional transaction fees are reassessed every day 00:00:00 GMT to 23:59:59 GMT based on regional performance data.

Regional implementation partners shall immediately inform licensees of local characteristics, TP and TF upon request.

## **§ 7 Subsequent purchase of TE-FOOD licences**

In the event of a licensee wanting to use more than its current TP, it can acquire additional TE-FOOD licences until the required number of transactions is covered by the licences. If for example a company wanted to track 31 processes a day in the TE-FOOD system with transactions, it must acquire a total of 7 licences a day in the event of a TP of 5 per licence.

## **§ 8 Subject of the agreement**

After login, each activity within the user interface is evaluated as licence usage. Transactions already created through the licences are deemed exhausted.

## **§ 9 No repurchase / no return of licences**

Sold licences shall not be withdrawn by TE-FOOD, nor by the local implementation partners.

Unused licences cannot be returned.

According to effective case law in Germany however, unused licences may be sold and/or transferred to third parties if usage is excluded by the original buyer.

## **§ 10 Display and generation of TE-FOOD licences and utilisation units**

TE-FOOD shall display TE-FOOD licences and TE-FOOD utilization units in a transparent manner acceptable for audits in the form of utility tokens, using Ethereum ERC20 Token Technology.

TE-FOOD shall generate 1 billion TE-FOOD utilization units on 02.22.2018. TE-FOOD shall use the Ethereum block chain network to track licences and utilization units.

## **§ 11 Further sales provisions / payment only in cryptocurrencies**

TE-FOOD shall sell 517,880,000 of TE-FOOD utilization units at a base price of 0.05 USD or 0.04 EUR. Depending on the ordered quantity and purchase date, a one-off discount is possible here.

The block chain licence tokens offered by TE-FOOD are exclusively sold in return for cryptocurrencies, such as bitcoin or ETHER. The exchange rate between the euro and cryptocurrency at the time of sale shall apply.

Given that TE-FOOD licences and TE-FOOD utilization units can essentially only be purchased with cryptocurrencies, it is guaranteed that the sale and purchase of licences can be depicted transparently for each token and each transaction in the ETHERUM block chain system and simulated in the token wallet.

TE-FOOD licences and TE-FOOD utilization units are exclusively sold to verified clients, clearly identified users and implementation partners.

Upon purchase, buyers are given a licence invoice from TE-FOOD International GmbH, which has its head office in Albstadt, Germany. German tax law forms the basis for invoicing.

## **§ 12 Final provisions**

The following additional contractual components are applicable to the TE-FOOD Licence Agreement:

Appendix 1 Further contractual conditions applicable to the use of TE-FOOD software

Appendix 2 Supplementary Contractual Terms – Token as a License (TaaL) / Software as a Service (SaaS) Services

The place of performance is Albstadt/Baden-Württemberg. The legal venue is Stuttgart.

The law of the Federal Republic of Germany is exclusively applicable. The Contract, any supplements and amendments thereto, and any amendments of form require the written form.

In the event of any provision hereof being or becoming invalid, this does not affect the validity of the remainder of the Contract. The contractual partners hereby undertake to replace the ineffective provision with one which comes closest to what had been intended in commercial terms. The same applies if a contractual loophole is revealed.

TE-FOOD is a brand of TE-FOOD International GmbH.

## **Appendix 1 - Further contractual conditions applicable to the use of TE-FOOD software**

### **1. Installation and Maintenance of the System in the case of use with own hardware, own equipment and plants**

1.1 TE-FOOD supplies and constructs the system and carries out necessary tests, inspections, briefings and any appropriate training courses. A network supplied by the Licensee shall be verified and potential changes initiated by TE-FOOD before the start of operation.

1.2 The Licensee shall ensure that installation of the system is possible at its site in compliance with TE-FOOD's installation conditions, including provision of appropriate Internet access. The Licensee is responsible for Internet access and all authorizations (e.g. providers, authorities and other third parties) and procures necessary resources and consumables, which must comply with the specifications of TE-FOOD.

1.3 The system is maintained by TE-FOOD throughout the contractual term based on the agreed service class, where a relevant service agreement exists. Maintenance covers inspection, servicing, repair and remedy of faults and damages. In particular maintenance services are presented in the specifications. TE-FOOD is entitled to switch the system to a service point via the Internet or another public network. Maintenance works or modifications are performed as a result and customized data stored or otherwise processed. The Licensee shall report faults and damages immediately; it holds all system components available and provides any auxiliary equipment (e.g. ladders, scaffolding, etc.) and support staff required for maintenance free of charge.

1.4 TE-FOOD hereby undertakes to perform all necessary or required works - including by authorities or third parties - on the system. The Licensee shall arrange for all works only to be carried out on the system, including upgrades, disassembly and return transport, by TE-FOOD, or with its consent.

1.5 TE-FOOD may change the system to keep it up-to-date, provided significant service characteristics are unaffected and the changes offer comparable functions. The same applies if suppliers of TE-FOOD modify software and/or hardware products or use services, and TE-FOOD deems it necessary to modify the system as a result.

### **2. Software Usage Right; Property**

2.1 TE-FOOD supplies the software and makes documentation available. Even if software is carefully created, up-to-date technology means it is not possible to exclude software errors under all conditions of use.

TE-FOOD hereby grants the Licensee a non-exclusive and right to use the software supplied or made available transferable only in the form of a TE-FOOD licence. The software shall essentially be handed over for exclusive use on the designated central unit, app or web-based use. The software may only be used on one terminal and only at one site without further written consent, any additional usage is not authorized; this is not applicable if multiple use has explicitly been agreed for the software.

2.3 Property and/or all other rights related to hardware and software handed over remain with TE-FOOD or at the verified new owner in the event of a change of contractual partner. The Licensee shall not to remove labels - in particular copyright notes - from the software or copies and to label the software in case of modification or combination. The Licensee shall not reverse or translate the software, nor isolate parts of the software.

2.4 The software shall not be duplicated or modified without TE-FOOD's written consent. The Licensee shall, for an unlimited period of time, ensure that the software and associated documentation, including any duplications, are not disclosed to third parties in a revised version without TE-FOOD's consent.

2.5 The Licensee shall destroy the software handed over including all copies after the end of the usage period and notify TE-FOOD hereof.

2.6 Ensuring the compatibility of software processes with other legal or operational regulations is exclusively a matter for the Licensee.

2.7 The Licensee shall immediately notify TE-FOOD of flaws in the software and provide necessary data for remedy thereof.

2.8 The Licensee hereby undertakes to employ qualified personnel to use the software handed over. If TE-FOOD establishes a need for additional training, the Licensee hereby undertakes to place a corresponding training order with TE-FOOD in return for a separate fee.

2.9 Breaches of confidentiality agreements entitle the injured party to compensation.

### **3. Transfer of Risk; Delay; Liability for Damage**

3.1 The risk of loss and damage transfers to the Licensees upon delivery of the system (hardware and/or software) and other materials. The Licensee shall be liable up to replacement value for losses or damage which can be attributed to the Licensee, or otherwise arising due to accidents or acts of God. The Licensee shall not be liable for damages caused to the system by TE-FOOD or its vicarious agents.

3.2 If TE-FOOD is delayed in performance for reasons attributable to it, where the Licensee can prove that it has incurred damage as a result, the Licensee may demand a blanket 25% of the agreed monthly fee for each completed week of delay, but for a maximum period of 10 weeks. Further compensation claims by the Licensee are excluded in all cases of late performance, including following expiry of an additional deadline set by TE-FOOD. This does not apply where mandatory liability arises in cases of intent or gross negligence; this shall not be associated with a change to the burden of proof to the detriment of the Licensee. The Licensee's right of withdrawal following expiry of a deadline set by TE-FOOD is unaffected.

3.3 Unless set out to the contrary herein, TE-FOOD shall only be liable for compensation for breach of obligations under the contractual obligation or from unlawful acts in case of intent, gross negligence, absence of promised features, injury to life, limb or health, material contractual obligations or pursuant to the Product Liability Act. In the event of breach of a material contractual obligation, liability to contractors and customers, as defined in § 310(1) BGB [German Civil Code], is limited to a maximum of 1,000 euro per damage event, unless foreseeable damage typical of such a contract is greater or the damage event relates to intent or gross negligence. Liability under mandatory statutory regulations is unaffected. This shall not be associated with a change to the burden of proof to the detriment of the Licensee.

### **4. Prices; Changes; Payment Terms; Offsetting; Late Payment**

4.1 The services referred to above, including expenditure on orders and flat-rate packaging and transport costs for delivery, and disposals, are charged at effective list prices at TE-FOOD unless they have already been compensated by fees agreed on. Payments are due without deductions ten days after invoicing. In the event of late payment the contractual partner shall be liable for 11.00 € per reminder.

4.2 Regularly payable fees shall be paid quarterly in advance from the system being ready for operation or handover of the licensed software.

4.3 If regularly payable list-price fees - effective at TE-FOOD on the date of contract conclusion - are increased as a result and in the course of changes to personnel or other costs, pursuant to prior notice, TE-FOOD may adjust the relevant fees, as agreed in the Contract, accordingly at the start of the next calendar quarter, where they are cost-dependent. The same applies if fees have been paid in advance.

4.4 The Licensee may only offset fees against uncontested or legally ascertained claims.

## **5. 5. Third-Party Products**

5.1 If the client connects third-party products to the system with TE-FOOD's consent, TE-FOOD shall assume no guarantee for their flawless operation. The Licensee shall ensure maintenance of third-party products; if they affect the functioning of the system, TE-FOOD is entitled to deactivate such products. The Licensee shall be liable for expenditure incurred by TE-FOOD through troubleshooting or deactivations.

5.2 If software is delivered for the Licensee's own products, the external device and operating system must be compatible with the TE-FOOD system.

## **6. 6. Miscellaneous Provisions**

6.1 If the Licensee fails to comply with its contractual obligations despite a written warning and deadline, TE-FOOD may shut the system down until performance.

6.2 Deadlines shall be extended appropriately, for example in the event of strikes, lockouts, acts of God and other events over which TE-FOOD has no control.

6.3 TE-FOOD reserves the right to arrange for obligations hereunder to be performed by appropriate third parties.

6.4 Subsidiary agreements and amendments hereto require the written form to be effective. The same applies to any amendment to this provision.

6.5 In the event of any of these provisions being invalid, they shall be replaced by effective regulations which come closest to the spirit and purpose of the ineffective provisions. If necessary, the Licensee is obliged to take all measures to achieve this objective.

6.6 If the Licensee is a trader or legal entity under public law, the stipulated court of jurisdiction is Stuttgart, or alternatively the place of performance.

## **7. 7. Managed Backup**

7.1 TE-FOOD shall protect and archive contractual and transaction data from the start of the contractual term, provided the Licensee has made the agreed payments.

7.2 In the event of non-payment, TE-FOOD is entitled to suspend managed backup services and use storage space for a different purpose after three warnings and due notice.

## **8. 8. Credit Assessment, Data Protection**

8.1 The Licensee hereby authorizes TE-FOOD to obtain information about its financial circumstances. TE-FOOD is entitled to forward such information to third parties and allow inspection of documents.

8.2 The Licensee is hereby informed that all data relevant to the Contract shall be used and stored at the start of the business relationship. The Licensee hereby consents to data being transmitted to third parties for implementation of the Contract.



## **Appendix 2 - Supplementary Contractual Terms**

### **Token as a License (TaaL) / Software as a Service (SaaS) Services**

#### **1. Scope of Application and Subject of the Contract**

The terms and conditions indicated below apply to usage of and operational support for the software manufactured by TE-FOOD, and supplied as software in the form of an Internet service.

Subject of the Contract:

- usage of TE-FOOD software in the specified scope of services and functions for Internet usage; and
- continual storage of transaction data on the computer centre's servers.

Individually designed software programs do not form the subject of this Contract.

#### **2. Scope and Nature of Services**

The scope and nature of mutual services are regulated by contractual agreements. The scope of services defined herein shall be deemed an agreed quality.

The following are decisive here:

- the defined scope of services for the itemized software, as set out in the specifications or relevant user documentation
- suitability for the intended use presumed in the Contract
- regulations set out in the Contract and the conditions indicated below
- generally used technical guidelines and standards, in particular international standards and recommendations of the Internet Engineering Task Force (IETF), as documented in the Request-for-Comments (RFC), and the W3C (World Wide Web Consortium).

In the event of discrepancies, the contractual agreements shall apply in the sequence indicated above.

Any other terms and conditions, in particular general terms and conditions of the contractual partner, shall not apply even if TE-FOOD has not explicitly objected thereto. The General Terms and Conditions and other and supplementary contractual provisions of TE-FOOD shall apply exclusively.

#### **3. 3. Terms of Use**

##### **3.1. Licensee's rights to the software**

TE-FOOD hereby grants the Licensee a non-exclusive right of use transferable in the form of the TE-FOOD license, which can only be sublicensed pursuant to written consent, for the tracking software and associated user documentation set out herein for the term of the Contract.

The software is supplied over the Internet. The transfer point for SaaS services is the router output from the computer centre used by TE-FOOD for the Internet. The Licensee hereby undertakes solely to use the software in accordance with the Contract and not to forward it to third parties, nor make it available to third parties in any other way. The Licensee is not entitled to "reverse engineer", decompile, disassemble or duplicate the software, or to use any part of the software to create a separate application. The software shall exclusively be used within the framework of an operational and security concept tested by TE-FOOD and with the operational systems and browsers recommended by TE-FOOD.

The contractual partner and Licensee hereby acknowledge that TE-FOOD is the sole licensor of the software and associated copyrights. The rights of TE-FOOD as sole licensor also relate to software upgrades supplied to the Licensee by TE-FOOD, unless stated otherwise in writing.

The Licensee hereby acknowledges the brand, name and patent rights of TE-FOOD with regard to the software and associated documentation. The Licensee shall not remove, alter or otherwise modify copyright information or other similar proprietary notices in the programs and associated documentation.

### 3.2. Rights to data

The data recorded, processed and generated by the software are stored on the computer centre's servers. In any case the Licensee is solely entitled to the data and may therefore demand the disclosure of any individual or all data from TE-FOOD at any time, in particular following termination of the Contract, without any right of retention for TE-FOOD. The Licensee shall be liable for expenditure on data disclosure or deletion.

Data are disclosed through electronic transmission on a data network or based on separate agreement through the handover of data carriers. The Licensee is not entitled to receive software that is suited to using the data. The Licensee is responsible for the lawfulness of recording, processing and using data and for safeguarding the rights of concerned parties (information, use, correction, blocking and deletion).

### 3.3. Infringement of terms of use

In the event of infringements of the specified terms of use, TE-FOOD is entitled to terminate the Contract without notice in part or in full. In this case TE-FOOD also reserves the right to enforce compensation claims against the Licensee for breach of Contract.

### 3.4. Termination for good cause

TE-FOOD is entitled to terminate the Contract for good cause in particular in case of non-payment by the Licensee.

## **4. Maintenance Conditions and Service Level**

### 4.1. Improvements/change of specifications

TE-FOOD hereby reserves the right to make improvements and changes to specifications (e.g. through the use of new or different technologies, systems, procedures or standards) in the course of technological progress and performance optimization following contract conclusion. In case of significant changes to specifications, TE-FOOD shall notify the Licensee in good time. If significant disadvantages arise for the Licensee from the changes to specifications, it is entitled to issue extraordinary termination on the Contract on the date of change. The Licensee must issue notice of termination within two weeks of receipt of notification of the change of specification. If new versions of the software are supplied, TE-FOOD shall grant the Licensee the rights itemized in paragraph 3 for each new version.

## 4.2. System operation

TE-FOOD shall ensure that the supplied software is operated in an appropriate environment and form for the Licensee's requirements and on hardware suited to the Licensee's intended purpose. This includes an appropriate number and type of servers, regular backups, scalability, power supply, air conditioning, protection with firewalls, virus checking and broadband Internet connection. TE-FOOD carries out daily backups of data inventories. TE-FOOD may restore Licensee data through a recovery procedure at the explicit request of the Licensee.

## 4.3. System availability

The computer centre network's average annual availability on the Internet router output is 99.98. The Licensee-side connection to the Internet is the Licensee's responsibility. This does not form part of SaaS services. Downtime is calculated in complete minutes from the total of fault clearance times per year. Periods identified by TE-FOOD as 'maintenance windows' for optimization and service improvement are exempt, as well as time lost troubleshooting for reasons not attributable to TE-FOOD and outages caused by acts of God.

## 4.4. Disruptions to system availability

The Licensee shall report disruptions to system availability immediately after they become known. Before reporting the fault the Licensee shall check its own area of responsibility. If faults are reported during support times, fault clearance shall begin within two hours. If faults are reported outside support times, fault clearance begins the following working day. Delays in fault clearance attributable to the Licensee (e.g. due to non-availability of a contact person on the Licensee's side) are not deducted from fault clearance time.

## 5. Warranty

Using up-to-date technology, it is not possible to rule out flaws in software under all usage conditions. However, TE-FOOD hereby guarantees that contractually listed software is essentially usable. The statutory period of limitation is one year.

TE-FOOD shall eliminate flaws in software and associated documentation free of charge within a reasonable deadline. A precondition for this defect remedy requirement is that the flaw should be reproducible. In order to comply with its warranty obligation, TE-FOOD may - at its discretion - either repair or replace the defective part. In particular TE-FOOD may provide the Licensee with a new version of the software in order to comply with the warranty obligation. It shall be deemed equivalent to defect remedy if TE-FOOD provides an alternative solution to the defective operation, which allows for contractual use by the Licensee.

Warranty claims are excluded if the software is not used in accordance with the Contract. Furthermore, warranty claims are excluded if the Licensee makes changes or upgrades to the software specified in the Contract, unless the client verifies that the flaws are not caused by the changes or upgrades.

If a significant program error is not remedied in accordance with the specified conditions of TE-FOOD, the Licensee may demand a reduction of the fees. TE-FOOD has the same right if error correction is not possible at reasonable expense. If it emerges in the course of defect remedy that the problems can be attributed to operating errors or improper use by the Licensee or any users, TE-FOOD may demand appropriate payment for the incurred expenditure. TE-FOOD does not guarantee fulfilment of the Licensee's individual requirements through the software indicated in the Contract. This applies in particular to failure to achieve the targeted commercial success. Warranty claims against TE-FOOD shall only be due to the direct Licensee and cannot be assigned.

## 6. Limitation of Liability

In each case the contractual and tortious liability of TE-FOOD, with the exception of intent and gross negligence, is limited to 50,000 EUR for personal injury, 10,000 EUR for financial, material and operational damage and 1,000 EUR for damage through loss of data. Liability for lost profit is excluded.

No liability is assumed by TN for faults on telecommunication connections, faults on cable paths on the Internet, in the event of acts of God, fault of third parties or the Licensee or users. TE-FOOD assumes no liability for damage incurred if the Licensee or user shares passwords or usernames with unauthorized persons.

## **7. Remuneration**

Further performance-based transaction fees are payable in addition to the purchased licence for SaaS services.

## **8. 8. Terms of Payment**

If the payment deadline is exceeded, services may be restricted in case of default.

The Licensee is not entitled to offset claims against TE-FOOD, unless such claims are legally established or acknowledged in writing by TE-FOOD.

## **9. Confidentiality, Data Protection**

The contractual parties hereby undertake to keep secret findings made within the scope of the Contract - in particular technical or commercial data and other information - and only to use them for the purposes of the Contract.

This does not apply to information that is publicly available or becomes publicly available without unauthorized support from or neglect by the contractual parties, or must be made available pursuant to a judicial order or law. In the event of support for problems of the Licensee or users, it may become necessary to access data sets of the Licensee or users. Access may be implemented through a web meeting with the user or database analysis. Such access is limited to the period of the relevant support measure.

If personal data have to be processed within the scope of the Contract, TE-FOOD and the Licensee shall comply with statutory provisions on data protection.

Pursuant to the Federal Data Protection Act (BDSG), TE-FOOD hereby advises the Licensee that data of the Licensee and user shall be stored.

## **11. Closing Provisions**

The place of performance is Albstadt/Baden-Württemberg. The court of jurisdiction for both contractual parties is Stuttgart.

The law of the Federal Republic of Germany is exclusively applicable. The Contract, any supplements and amendments thereto, and any amendments of form require the written form.

In the event of any provision hereof being or becoming invalid, this does not affect the validity of the remainder of the Contract. The contractual partners hereby undertake to replace the ineffective provision with one which comes closest to what had been intended in commercial terms. The same applies if a contractual loophole is revealed.

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