

GENERAL TERMS AND CONDITIONS OF PARO ENGINEERING B.V. – ENGINEERING

These general terms and conditions apply to the design, modification, and maintenance of technical drawings for the development of hydraulic manifolds. These terms and conditions do not apply to the actual development of hydraulic manifolds, nor to the management or contracting of such work, nor to the purchase or licensing of software. If the agreement between the Client and Paro does involve such activities, the applicable general terms and conditions of Paro for development and/or software shall apply to those respective activities.

Article 1. Definitions

1. In these general terms and conditions, the following terms are used with the following meanings, unless explicitly stated otherwise:

- **Paro:** Paro Engineering B.V., located at 1135 De Trompet, 1967 DA Heemskerk, The Netherlands, the user of these general terms and conditions, also the contractor in the agreement.
- **Client:** The natural or legal person who enters into an agreement with Paro or to whom Paro has issued a quotation to which these general terms and conditions apply.

Article 2. Applicability

1. These general terms and conditions apply to every quotation, agreement, and all activities and/or legal relationships of Paro. Acceptance by the Client of a quotation or order confirmation that refers to these terms without objection implies agreement with their applicability.
2. These terms also apply to agreements where Paro engages third parties for the performance of the contract.
3. Deviations from these terms are only valid if explicitly agreed upon in writing in advance by both parties.
4. The applicability of any general conditions used by the Client is explicitly rejected. Such applicability only becomes valid if explicitly agreed upon in writing.
5. If Paro does not require strict compliance with these terms at any time, this does not affect its right to demand strict compliance at a later stage. The leniency shown does not confer any rights on the Client.
6. Invalid or nullified provisions do not affect the validity of the remaining provisions. Any invalid provisions will be replaced with legally permissible ones that align as closely as possible with the purpose and intent of the original provision.
7. Situations not covered by these terms or unclear provisions shall be interpreted in the spirit and intent of these terms.
8. Paro reserves the right to amend or supplement these general terms. Minor changes may be implemented at any time. Any amendments shall be announced well in

advance. If the Client does not accept a change, they may terminate the agreement before the new terms take effect.

Article 3. Offers and Agreements

1. Offers from Paro are non-binding and, where possible, provided with a validity period. If no period is specified, the offer is valid for 30 days. Offers may change due to unforeseen alterations in the scope of work. Prices are in euros, excluding VAT and other government levies.
2. Paro is not bound by its offers if the Client can reasonably understand that the offer contains an obvious mistake or clerical error. Acceptance of an offer with any deviations (even minor) is not permitted.
3. The agreement is only concluded when Paro receives and accepts a signed offer or agreement from the Client, or once Paro, with the Client's consent, has begun executing the work.
4. Paro's obligations are defined solely by what is confirmed in writing in the agreement, unless otherwise agreed in writing. Orders must be accompanied by a clear written description of the assignment.
5. An accepted order may only be modified by written description of the changes, which only become binding once confirmed in writing by Paro. Changes may impact the agreed or expected completion time. The Client accepts such delays in advance.
6. The Client may not transfer rights or obligations under the agreement to third parties without prior written consent from Paro, unless expressly agreed or stated otherwise in these terms.
7. If the Client does not accept an offer, all related drawings, descriptions, and/or specifications must be returned to Paro or destroyed at Paro's first request.

Article 4. Prices and Payment

1. Prices set by or agreed upon with Paro are exclusive of taxes, levies imposed by any governmental authority, and additional costs (such as travel expenses and shipping fees), unless explicitly stated otherwise.
2. Paro is entitled, at its sole discretion, to require the client to make an advance payment and/or provide additional security if Paro deems the client's financial position and/or payment history to present reasonable cause. Paro may request an advance payment of up to 50% of the agreed fee. Unless otherwise agreed in writing, the advance payment must be made within 30 days of the invoice date and will be deducted from the final invoice.
3. Unless otherwise agreed in writing, all payments must be made within 30 days of the invoice date by transferring the invoiced amount to the bank account designated by Paro. Lodging a complaint does not suspend the client's payment obligation.
4. If the client fails to make payment within the specified 30-day period, they shall be in default by operation of law, without the need for formal notice. In such cases, the client shall owe interest at the statutory commercial interest rate applicable at the

time. Paro reserves the right to apply payments received first to cover incurred costs, then to any outstanding interest, and lastly to the principal amount and accruing interest, even if the client indicates that the payment should be applied differently.

5. If the client fails to remit payment within the 30-day period, Paro shall be entitled to recover both judicial and extrajudicial collection costs from the client. The client shall also owe interest on the collection costs incurred.
6. Paro reserves the right, at any time before or after the conclusion of the agreement, to demand adequate security or full or partial advance payment. Paro may suspend performance of the agreement until such security or payment has been received. The client shall be liable for any damages resulting from such suspension.
7. In the event the client is liquidated, declared bankrupt, or granted a suspension of payment, all claims by Paro against the client shall become immediately due and payable. In such cases, Paro is entitled to suspend performance and to terminate the agreement without judicial intervention.

Article 5. Execution of the Agreement

1. Paro shall perform all services to the best of its knowledge and ability and in accordance with generally accepted professional standards. However, Paro does not guarantee that any specific or intended result will be achieved.
2. Paro shall ensure that its services conform to the agreement and its intended purpose. Any agreed delivery dates or deadlines for completion shall not be considered strict or binding (“fatal deadlines”) unless explicitly agreed otherwise.
3. Paro is responsible for ensuring that the goods and services provided are in accordance with the current state of the art, comply with generally accepted technical standards and occupational health and safety regulations of relevant public authorities and industry associations, and conform to all applicable laws and regulations.
4. Paro is not obliged to conduct more than a general review, based on industry standards, of any information, designs, plans, calculations, or tenders provided by the client. However, Paro is required to notify the client if any specifications, instructions, information, or materials provided by the client contain evident errors or deficiencies that, if unaddressed, would result in Paro acting contrary to principles of reasonableness and fairness.
5. Any examples, illustrations, or descriptions provided in catalogues, brochures, quotations, or other documents issued by Paro are for general guidance only and shall not be binding on Paro or confer any rights upon the client.
6. The client shall ensure that all information Paro deems necessary for the execution of the agreement, or which the client can reasonably be expected to understand as necessary, is provided to Paro in a timely manner. If such information is not provided on time, Paro is entitled to suspend the execution of the agreement and/or charge the client for any additional costs arising from the delay. The agreed completion period shall not commence until all required information has been received. Under no circumstances shall Paro be held liable for any damages resulting from the receipt of incorrect and/or incomplete data provided by the client.

7. The client shall bear responsibility for any delays and/or additional costs resulting from compliance with statutory requirements or the need to obtain approvals from public authorities, as well as from changes to legal, technical, or industrial standards that occur after the date of tender.

Article 6. Delivery

1. The agreed work shall be delivered to the client either in person, by (registered) mail, or by email addressed to the client. Delivery shall be deemed to have taken place one business day after the date of dispatch.
2. Upon delivery, the client shall inspect the delivered goods or services to determine whether they conform to the agreed quality, quantity, and specifications. The client must notify Paro in writing of any visible defects or discrepancies no later than ten (10) business days after delivery.
3. If no written complaint is received within ten (10) business days of delivery, the goods and/or services shall be deemed accepted by the client.
4. In the event of a timely and valid complaint, Paro shall be granted a reasonable period to either replace the goods, correct the deficiencies, or issue a refund or credit, at Paro's discretion.
5. The risk of loss or damage to the goods or work under the agreement shall transfer to the client at the moment the goods are legally and/or physically delivered to the client, or to a third party designated by the client to receive them.

Article 7. Retention of Title and Intellectual Property Rights

1. All designs, sketches, drawings, calculations, and recommendations delivered by Paro shall remain the property of Paro until full payment has been received for all amounts due from the client, including interest and costs, in connection with any delivery. Upon fulfillment of all payment obligations, the client shall obtain the right to use the delivered goods solely for the agreed purpose of the contract.
2. All intellectual and industrial property rights relating to any software, equipment, or other materials developed or provided under the agreement, including but not limited to analyses, designs, documentation, reports, offers, and preparatory materials, shall remain the exclusive property of Paro or its licensors.
3. The client shall indemnify and hold Paro harmless from any third-party claims alleging that goods or other materials developed and/or delivered by Paro infringe upon intellectual or industrial property rights.
4. In all forms of publication, proper attribution must be given to Paro as the source.
5. The client is not permitted to alter, modify, or adapt the delivered goods in any way without prior written consent from Paro.

Article 8. Confidentiality

1. Each party shall treat all confidential information received from the other party as strictly confidential and shall not disclose such information to any third party, nor use it for any purpose other than as required for the performance of this agreement.
2. Information shall be deemed confidential if it has been designated as such by the disclosing party, or if its confidential nature is evident from the content or circumstances of its disclosure.
3. The obligations under this article shall not apply to disclosures made:
 - a) to a party's employees who have a legitimate need to know such information for the purpose of performing under the agreement;
 - b) to a party's business, legal, or financial advisors, provided such disclosures are made on a confidential basis and only to the extent necessary to fulfill obligations under the agreement.
4. Paro shall take all necessary measures to ensure that third parties engaged in the performance of the agreement comply with the same confidentiality obligations as if they were a party to this agreement.
5. The obligation of confidentiality shall remain in effect after the termination or expiration of the agreement.

Article 9. Force Majeure

1. Paro shall not be required to fulfill any obligation if it is prevented from doing so due to circumstances beyond its reasonable control and for which it cannot be held liable under the law, a legal act, or generally accepted practice. During such a period of force majeure, Paro may suspend its contractual obligations. If the force majeure situation continues for more than two months, either party shall be entitled to terminate the agreement without any obligation to pay compensation for damages. In such an event, Paro shall remain entitled to payment for any services performed up to the moment the force majeure situation arose.
2. For the purposes of these general terms and conditions, force majeure includes, in addition to what is understood by law and jurisprudence, all circumstances, whether foreseeable or unforeseeable, beyond Paro's control that prevent the fulfillment of its obligations. This also includes, but is not limited to, strikes within Paro's organization. Paro is entitled to invoke force majeure even if the circumstance preventing (further) performance occurs after Paro should have fulfilled its obligations.

Article 10. Liability and Indemnification

1. Insofar as Paro relies on the cooperation, services, or supplies of third parties for the performance of the agreement, Paro shall not be liable for any damage resulting from such third-party relationships or the termination thereof, regardless of whether the damage arises or becomes apparent during the course of Paro's involvement.
2. Paro accepts no liability for losses resulting from the incorrect or improper use of goods supplied by Paro, nor from the incorrect or improper application of advice provided by Paro. Paro shall not be liable for any faults or deficiencies in the work of third parties, even if such work is based on work or advice provided by Paro.

3. Paro shall only be liable for direct damages suffered by the client that result from attributable fault(s) on the part of Paro. Direct damage shall be strictly limited to:
 - a) Reasonable costs incurred to have Paro's defective performance brought into compliance with the agreement, unless the agreement is terminated by the client;
 - b) Reasonable costs incurred to determine the cause and scope of the damage, to the extent that such determination relates to direct damage as defined in this article;
 - c) Reasonable costs incurred to mitigate the damage, provided the client demonstrates that such costs have resulted in the limitation of direct damage as described above.

In the event of any damage or loss, the client must notify Paro in writing without delay. Any right to compensation shall lapse if the client fails to report the damage as soon as reasonably possible after it has arisen.

4. Paro shall not be liable for any incidental, indirect, special, or consequential damages arising from or related to the agreement. This limitation shall not apply in the event of intentional misconduct or gross negligence on the part of Paro.
5. Paro's liability for damages arising from or in connection with the agreement shall be limited to the amount covered by its liability insurance. If the insurer does not provide coverage, Paro's liability shall not exceed the total fee for the original assignment. In the case of a continuing performance agreement with a duration exceeding 12 months, the maximum liability shall be limited to the total amount invoiced by Paro to the client over a period of one year. Under no circumstances shall Paro's liability exceed €100,000.00.
6. The limitation of liability set forth in Article 10.5 shall not apply in cases where the damage results from intent or gross negligence by Paro or its executive staff.
7. The client shall indemnify Paro against any claims by third parties relating to alleged infringements of intellectual property rights arising from materials or data provided by the client for the purpose of executing the agreement.

Article 11. Cancellation, Suspension, and Termination

1. A purchase order placed by the client and confirmed by Paro may not be cancelled by the client without Paro's prior written consent.
2. The client may cancel the agreement before Paro has commenced its performance. In such cases, Paro shall be entitled to compensation for any loss of capacity or utilisation resulting from the premature cancellation.
3. If the client terminates the agreement in whole or in part, Paro shall be entitled to charge the client for all work performed up to the date of termination, as well as for all reasonable costs incurred due to obligations already undertaken by Paro.
4. In the event of cancellation by the client under this article, the client shall indemnify Paro against any third-party claims arising as a consequence of the cancellation.
5. If the client is declared insolvent or bankrupt, if a petition for bankruptcy or liquidation is filed, or if the client is subject to attachment, debt restructuring, or any other circumstance that restricts the client's control over its assets, Paro shall be entitled, without owing any compensation, to dissolve the agreement in whole or in

part or to suspend its performance. In such cases, Paro shall also be entitled to demand immediate payment of all outstanding amounts.

6. Paro shall have the right to dissolve the agreement in whole if the client fails to fulfill any of its obligations under the agreement, either in full or on time, after being given formal notice of default and a 15-day period to remedy the breach.
7. Paro shall also have the right to suspend performance of the agreement or to dissolve it in whole if:
 - a) There are circumstances that reasonably cast doubt on the client's ability to fulfill its obligations;
 - b) The client is required to provide adequate security for the fulfillment of its obligations and fails to do so or provides insufficient security;
 - c) A delay caused by the client prevents Paro from meeting the original terms and conditions of the agreement.

In such cases, the client shall not be entitled to any form of compensation.

Article 12. Complaints

1. Any faults or defects must be reported to Paro in writing within 14 days of their discovery. If no complaint is submitted within this period, the product(s) shall be deemed accepted by the client without reservation.
2. If a complaint is found to be justified, Paro shall, at its discretion, either perform the work as originally agreed or take appropriate corrective measures, unless the agreed performance has become demonstrably pointless. If further performance is no longer possible or useful, the parties shall consult to determine the appropriate course of action. In all cases, Paro's liability shall be limited in accordance with the provisions of Article 10.

Article 13. Disputes

1. All legal relationships between Paro and the client to which these general terms and conditions apply shall be governed exclusively by the laws of the Netherlands. The applicability of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is expressly excluded.
2. Unless otherwise required by mandatory provisions of law, all disputes shall be submitted exclusively to the competent court in Haarlem, the Netherlands.
3. The parties shall make every reasonable effort to resolve any dispute through mutual consultation before initiating legal proceedings.

These general terms and conditions are available on the website www.paro.nl and will be provided free of charge upon request. By accepting an offer from Paro, the client acknowledges and agrees to be bound by these terms and conditions.