

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

These general terms and conditions apply to all purchases from Paro relating to the following goods and services: **Development and Sales**. If the agreement between the client and Paro pertains to other goods or services, such as software or engineering, please refer to the applicable general terms and conditions for those services.

Article 1. Definitions

1. Unless explicitly defined otherwise in these terms and conditions, the following definitions apply:
 - **Paro:** Paro Engineering B.V., a private limited company, registered and located at 1135 De Trompet, 1967 DA Heemskerk, the Netherlands. Paro is the issuer and user of these general terms and conditions.
 - **Client:** Any natural person or legal entity that engages Paro to perform work, or to whom Paro issues an offer governed by these general terms and conditions.

Article 2. Applicability

1. These general terms and conditions apply to all offers, quotations, and agreements between Paro and the client. Placement of an order by the client constitutes acceptance of these terms and conditions.
2. If Paro engages third parties in the performance of the agreement, the applicable contractual and/or warranty terms of those third parties shall also apply to the agreement between Paro and the client.
3. Any deviations from these terms and conditions must be agreed upon in writing.
4. The applicability of any general terms and conditions of the client is expressly rejected. Such terms shall only apply if explicitly accepted in writing by both parties.
5. If Paro does not strictly enforce compliance with these terms and conditions in any instance, this shall not constitute a waiver of its right to demand strict compliance at any time.
6. If one or more provisions of these terms and conditions are found to be invalid or unenforceable, the remaining provisions shall remain fully applicable. In such a case, Paro and the client shall consult to agree on a replacement provision that most closely reflects the intent and purpose of the original.
7. In the event of a situation not covered by these terms and conditions, it shall be assessed in the spirit of these general terms and conditions.
8. Paro reserves the right to amend these terms and conditions. Amendments shall also apply to existing agreements. Paro shall notify the client of any changes in a timely manner. If the client does not accept the amended terms, they may terminate the agreement effective as of the date the new terms take effect.

Article 3. Offers and Agreements

1. All offers issued by Paro are non-binding unless stated otherwise. Offers remain valid for acceptance during the period specified by Paro, or, if no period is specified, for 30 days from the date of the offer. Paro reserves the right to amend or withdraw an offer at any time. All prices are quoted in euros and are exclusive of taxes, duties, or charges imposed by any governmental authority.
2. Additions or changes to the quotation and/or order confirmation are only binding if confirmed in writing by both parties. Paro is not bound by any offer that contains an obvious error or mistake that the client could reasonably have recognized as such.
3. An agreement is concluded only when confirmed in writing by the client, confirmed by Paro, or when Paro has commenced execution of the agreement with the client's knowledge and consent.
4. The contents of the agreement are fully and exclusively defined in the written order confirmation.
5. Additions or amendments to the order confirmation are only binding if confirmed in writing by both parties and expressly accepted by Paro. If the client's acceptance deviates from the original quotation, Paro is not bound to the deviating terms unless explicitly agreed otherwise. Any changes to the agreement may affect the agreed delivery time and price. The client acknowledges and accepts this possibility.
6. The client is not permitted to transfer any rights or obligations arising from the agreement to third parties without prior written consent from Paro.
7. If an offer does not result in the conclusion of an agreement, the client must, upon Paro's first request, return all documents received from Paro (including drawings and specifications) or destroy them.

Article 4. Prices and Payment

1. All prices set or agreed with Paro are exclusive of taxes, charges imposed by any governmental authority, and additional costs, such as travel expenses or shipping fees, unless expressly stated otherwise.
2. Paro reserves the right to request advance payment and/or additional security at its discretion if the client's financial position or payment history gives reasonable cause for concern. Paro may require advance payment of up to 50% of the total fee. Unless otherwise agreed in writing, such advance payments are due within 30 days of the invoice date and will be deducted from the final invoice.
3. Payments must be made within 30 days of the invoice date by transferring the amount due to the bank account designated by Paro, unless otherwise agreed in writing. The client's obligation to pay is not suspended by the submission of a complaint.
4. If the client fails to pay within the specified 30-day period, they shall be in default by operation of law without the need for a formal notice. In that case, the client shall owe statutory commercial interest on the outstanding amount. Paro is entitled to apply payments received first to collection costs, then to accrued interest, and finally to the principal sum, regardless of the client's payment instructions.

5. In the event of late payment, Paro is entitled to recover both judicial and extrajudicial collection costs from the client. Interest will also accrue on any collection fees due.
6. Paro may, at any time before or after the conclusion of the agreement, require adequate security for payment or advance payment. Paro is entitled to suspend its obligations until such security or advance payment has been provided. The client shall be liable for any damages resulting from such suspension.
7. If the client is declared bankrupt, granted a suspension of payments, or undergoes liquidation, all amounts owed to Paro 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 determine the manner in which the agreement is executed, at its sole discretion. Paro will take the client's preferences into account where reasonably possible. If necessary for the proper execution of the agreement, Paro is entitled to engage third parties to carry out certain work.
2. Paro will 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 result will be achieved.
3. Any deadlines agreed for the completion of work shall never be considered strict or binding deadlines, unless explicitly agreed otherwise in writing.
4. Paro is not obliged to perform more than a general review, based on standard engineering practices, of the information, designs, plans, calculations, and tenders provided by the client. However, Paro must notify the client if the specifications, instructions, or materials supplied by the client contain apparent errors or deficiencies such that proceeding without warning would be unreasonable.
5. Any examples or descriptions provided in catalogues, brochures, offers, or other documentation issued by Paro are intended for general guidance only and shall not be binding on Paro.
6. The client is responsible for providing all information that Paro identifies as necessary for the execution of the agreement, or that the client should reasonably understand to be necessary, in a timely manner. If such data is not provided on time, Paro is entitled to suspend the execution of the agreement and/or charge the client for any additional costs resulting from the delay. The agreed delivery period will not begin until the required information has been received. Under no circumstances shall Paro be liable for any damages resulting from incorrect or incomplete information provided by the client.

Article 6. Delivery and Conformity

1. The completed work shall be delivered to the client in person or sent by (registered) mail to the address provided by the client.

2. Upon delivery, the client must inspect the goods to verify that their quality and quantity conform to the agreement and meet the agreed specifications. Any visible defects must be reported to Paro in writing within ten (10) business days of delivery.
3. After this ten-business-day period, the delivered products shall be deemed unconditionally accepted by the client. Acceptance will also be presumed if the client has taken possession or made use of the products.
4. In the event of a timely and valid complaint, Paro shall be granted a reasonable period in which to either replace the goods, repair them, or issue a refund, at Paro's discretion.
5. The risk of loss or damage to the products shall transfer to the client upon legal and/or actual delivery to the client, or to a third party designated by the client.

Article 7. Retention of Title and Intellectual Property Rights

1. All products delivered shall remain the property of Paro until full payment of all amounts due, including interest and costs, has been received. Until ownership has transferred, the client may not sell, pledge, or otherwise encumber the products.
2. The client must handle all goods subject to retention of title with care and store them in such a way that they remain clearly identifiable as the property of Paro. In the event the client fails to meet its contractual obligations, and Paro chooses to invoke its property rights, the client hereby grants Paro and any third parties engaged by Paro unconditional and irrevocable permission to access the relevant premises and repossess the goods.
3. All intellectual and industrial property rights to software, equipment, or other materials developed or provided under the agreement, including but not limited to analyses, designs, documentation, reports, quotations, and any preparatory materials, shall remain the exclusive property of Paro or its licensors.
4. The client shall indemnify Paro against any third-party claims alleging that goods or materials developed or supplied by Paro infringe intellectual or industrial property rights.
5. In any form of publication, Paro must be credited as the original source.
6. The client is not permitted to modify any delivered goods in any way without Paro's prior written consent.

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 necessary for the performance of the agreement.
2. Information shall be considered confidential if it has been designated as such by the disclosing party, or if its confidential nature is reasonably apparent from the circumstances.
3. The obligations under this article shall not apply to:

- Employees of the receiving party who require access to the information for the performance of the agreement;
 - The receiving party's business, legal, or financial advisors, provided such disclosure is made under a duty of confidentiality and only to the extent necessary for fulfilling contractual obligations.
4. Paro shall take all reasonable measures to ensure that any third parties engaged in the execution of the agreement are bound by confidentiality obligations equivalent to those set out in this article.
 5. The confidentiality obligations set out in this article shall remain in effect after the termination 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 shall not be liable for damages resulting from defects or shortcomings related to the functionality, quality, or suitability of materials, nor for inaccuracies in designs and drawings that were specified for use or provided by the client. The client is responsible for all instructions and methods prescribed by or on behalf of the client.
3. 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.
4. 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.

5. 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.
6. 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.
7. The limitation of liability set forth in Article 10.6 shall not apply in cases where the damage results from intent or gross negligence by Paro or its executive staff.
8. 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.
9. The client shall indemnify Paro against any claims from third parties who suffer damage arising from the execution of the agreement, where such damage is not attributable to Paro.

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. Guarantees and complaints

1. Paro guarantees the proper performance of the delivered product or service for a period of six months from the date of delivery. In the event of defects covered by this guarantee, Paro will, at its discretion:
 - Repair the defect;
 - Replace the product with a new one; or
 - Refund a proportion of the fee already paid.

Fulfillment of these guarantee obligations constitutes full and sole compensation.

2. The client must give Paro a reasonable opportunity to repair any defects and/or to re-perform (part of) the agreement.
3. The client must notify Paro in writing of any complaints regarding the delivered products as soon as possible, and in any case no later than two months after delivery.
 - Any immediately apparent defects must be reported to Paro on the day of delivery.
 - Defects not immediately visible must be reported in writing on the day they are discovered.

Any right to complain lapses five (5) years after delivery of the product.

4. Complaints do not suspend the client's payment obligations.
5. The client may only invoke the guarantee after fulfilling all contractual obligations towards Paro.
6. No guarantee is provided:
 - For products that were not new upon delivery;
 - For products prescribed or supplied by or on behalf of the client;
 - For inspections and/or repairs performed on objects owned by the client.

7. The guarantee does not apply to defects resulting from normal wear and tear, improper use, lack of maintenance, or from installation, assembly, modification, or repair by the client or third parties.
8. Paro's guarantee obligations shall never exceed or extend beyond those of its own suppliers.

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.