

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

These general terms and conditions apply to all purchases of software products and related services from Paro Software B.V. (“Paro”). These terms and conditions do not apply to the design, modification, and maintenance of technical drawings for the development of hydraulic manifolds, nor do they apply to the actual development of hydraulic manifolds, nor to the management or contracting of such work. If the agreement between the Client and Paro does involve such activities, the applicable general terms and conditions of Paro for engineering and/or development shall apply to those respective activities.

Article 1. Definitions

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

- **Paro:** Paro Software B.V., a private limited company registered and located at 1135 De Trompet, 1967 DA Heemskerk, The Netherlands, the issuer and user of these general terms and conditions.
- **Client:** Any natural or legal person who enters into an agreement with Paro or receives an offer from Paro to which these terms and conditions apply.
- **Software:** All computer programs, code, and data, including the media on which they are delivered and any associated documentation or materials.
- **License:** The right granted to the Client to use the Software, subject to and in accordance with these terms and conditions.

Article 2: Applicability

1. These general terms and conditions apply to all offers, quotations, and agreements between Paro and the Client. By placing an order, the Client is deemed to have accepted these terms and conditions.
2. If Paro engages third parties in the execution of the agreement, the relevant contractual and warranty terms of those third parties may also apply to the agreement between Paro and the Client.
3. Any deviation 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 will only apply if explicitly agreed to in writing by both parties.
5. If Paro does not strictly enforce these terms and conditions at any point, this shall not be interpreted as a waiver of its rights to require strict compliance at any time thereafter.
6. If any provision of these terms and conditions is found to be invalid or unenforceable, the remaining provisions shall remain in full force and effect. In such a case, Paro and the Client will consult to replace the invalid provision with a new one that closely reflects the original intent and purpose.

7. In the event that a situation arises that is not expressly covered by these terms and conditions, it shall be assessed in accordance with the spirit and purpose of these terms.
8. Paro reserves the right to amend these terms and conditions. Any changes will also apply to existing agreements. Paro will notify the Client of any amendments well in advance. If the Client does not accept the revised terms, they may terminate the agreement effective from the date the amendments take effect.

Article 3. Offers and Agreements

1. All offers issued by Paro are non-binding unless explicitly stated otherwise. Offers remain valid for acceptance within the period specified in the offer 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 VAT and any other government-imposed taxes or charges.
2. Additions or changes to a quotation or order confirmation are only binding if agreed upon 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. A contract is only formed when (a) the Client provides written confirmation, (b) Paro issues a written confirmation of acceptance, or (c) Paro begins performance of the contract with the Client's knowledge and agreement.
4. The content of the agreement is deemed to be fully and exclusively contained in the written order confirmation issued by Paro.
5. Any additions or modifications to the order confirmation are only valid if agreed upon in writing and confirmed by Paro. If the Client's acceptance deviates from the original offer, Paro is not obliged to accept the differing terms. Changes to the agreement may affect previously agreed deadlines or pricing. The Client accepts that changes to the agreement may lead to adjustments in the scope, price, and delivery schedule.
6. The Client may not transfer any rights or obligations under the agreement to a third party without Paro's prior written consent, unless otherwise agreed by the parties.

Article 4. Prices and Payment

1. All prices quoted by or agreed with Paro are exclusive of VAT, other applicable taxes or levies, and any additional costs (such as travel expenses or shipping fees), unless explicitly stated otherwise.
2. Paro reserves the right to require an advance payment and/or additional financial security from the Client if, in Paro's reasonable opinion, the Client's financial position or payment history justifies such measures. Advance payments may amount to a maximum of 50% of the agreed total fee. Unless otherwise agreed in writing, advance payments must be made within 14 days of the invoice date and will be deducted from the final invoice.

3. Unless agreed otherwise in writing, all invoices must be paid within 14 days of the invoice date via bank transfer to the account designated by Paro. Filing a complaint or raising an objection does not suspend the Client's obligation to pay.
4. If the Client fails to pay within the stated period, they will be in default by operation of law and without the need for formal notice. In such a case, the Client will owe statutory commercial interest from the due date until payment is made. Paro may allocate payments first to cover any costs incurred, then to outstanding interest, and finally to the principal amount, regardless of the Client's payment reference.
5. If payment is not received on time, Paro is entitled to recover both judicial and extrajudicial collection costs from the Client. Interest will also be charged on any collection costs incurred.
6. Paro may, at any time before or after entering into the agreement, require sufficient security for payment or advance payment. Paro is entitled to suspend performance of its obligations until such security or payment is received. The Client will be liable for any losses resulting from this suspension.
7. In the event the Client is declared bankrupt, granted suspension of payment, or is subject to liquidation, all outstanding amounts owed to Paro become immediately due and payable. In such cases, Paro is entitled to suspend further performance and may terminate the agreement without judicial intervention.

Article 5. Execution of the Agreement

1. Paro will carry out its services in accordance with the agreement and its intended purpose. Any stated delivery or completion deadlines are indicative only and shall never be regarded as strict or fatal deadlines.
2. Any examples, specifications, or descriptions, whether included in catalogues, brochures, quotations, or other documents provided by Paro, are intended solely for illustrative purposes and do not form a binding commitment unless explicitly confirmed in writing.
3. The Client is responsible for providing all data and information that Paro indicates is necessary, or that the Client should reasonably understand is required, for proper execution of the agreement. If the required data is not provided on time, Paro may suspend execution of the agreement and charge the Client for any resulting costs. The agreed delivery timeline will not begin until all necessary information has been received. Paro accepts no liability for any damages resulting from delays or errors caused by incorrect or incomplete information supplied by the Client.
4. The Client is solely responsible for verifying whether the delivered software meets the functional and technical specifications communicated by Paro in writing. If the software includes custom development, the Client must assess compliance with the specifications agreed to in writing by both parties.
5. If the software undergoes an acceptance test and any errors are discovered, the Client must notify Paro in writing within one (1) month of delivery. If no such

notification is made within that period, the software is deemed to have been accepted.

6. Upon timely and detailed written notice of any errors, Paro will make reasonable efforts to correct them within a reasonable period.
7. Paro is not obligated to correct errors reported after the one-month period described above, unless a separate maintenance agreement that includes such an obligation has been agreed upon.
8. Paro does not warrant that the software will be entirely error-free or that it will function without interruption.
9. The risk of loss, theft, misuse, or damage to any goods, data, documents, software, data files, or other items used or produced in connection with the agreement shall transfer to the Client at the moment those items come into the Client's or their representative's actual possession.

Article 6. Right of Use

1. Upon full payment of the agreed fee, the Client is granted the right to use the Software. Paro sells the Client the physical or digital data carriers on which the Software is delivered.
2. Paro grants the Client a non-exclusive, non-transferable License to use the Software as specified in the agreement. This License is restricted to use within the Client's own business operations and may not be assigned, sublicensed, or otherwise made available to third parties.
3. The right of use is limited to the designated processing unit(s) for which the License has been granted. Use of the Software outside these parameters is not permitted.
4. The Client may use the Software only in accordance with these terms and conditions. The Client may not provide access to the Software, directly or indirectly, to any third party for their use or for the use of others.
5. The Software may include technical protection measures, which may limit installation and use to a specified number of systems or users, as agreed in the License.
6. The Client is not permitted to modify, adapt, decompile, or reverse-engineer the Software or its source code, even if such actions are intended to remedy defects, unless explicitly permitted by law and only if Paro has been given the opportunity to provide a suitable solution first.
7. The right to use the Software is conditional on timely and complete payment of all agreed fees. Any delay or default in payment may result in suspension or termination of the License.
8. Paro provides a limited warranty that the Software will be free from material defects under normal use for a period of three (3) months from the delivery date.

9. This warranty does not apply to defects resulting from improper use, abuse, or unauthorised modifications made by the Client or third parties.
10. The warranty will lapse immediately if the Software is used in a manner inconsistent with the accompanying documentation or outside the intended scope of the License.
11. In the event of a defect reported within the warranty period, Paro will, at its discretion, repair or replace the affected Software. Any Software or Licenses replaced under this provision shall become the property of Paro.

Article 7. Retention of Title and Intellectual Property Rights

1. All goods delivered by Paro, including software licences, remain the property of Paro until full payment of all amounts due by the Client, including applicable interest and costs, has been received. Only upon complete fulfilment of these obligations does the Client obtain the right to use the delivered goods in accordance with the intended purpose of the agreement.
2. All intellectual and industrial property rights related to any software, equipment, documentation, analyses, designs, reports, offers, and other materials developed or provided under the agreement shall remain exclusively with Paro or its licensors. Unless expressly permitted by law, the Client is not authorised to copy, sell, rent, loan, or otherwise distribute the Software to third parties.
3. The Client shall indemnify and hold harmless Paro against any and all claims from third parties asserting that goods or materials developed and/or supplied by Paro infringe intellectual or industrial property rights.
4. The Client may not remove, alter, or obscure any copyright notices, trademarks, or other proprietary notices incorporated in the Software or associated materials.
5. Paro explicitly reserves the right to deliver the Software with built-in technical protection measures to safeguard against unauthorised use, reproduction, or distribution.

Article 8. Confidentiality

1. Each party agrees to treat all confidential information received from the other party with strict confidentiality and not to disclose it to third parties or use it for any purpose other than as necessary for the execution of the agreement.
2. Information is deemed confidential if it is explicitly marked as such by the disclosing party, or if its confidential nature is reasonably apparent from the content or context of the information.
3. The obligation of confidentiality does not apply to disclosures made:
 - To a party's own employees who reasonably require access to the confidential information for the performance of their duties;

- To a party's business, legal, or financial advisors, provided they are bound by a duty of confidentiality and the disclosure is necessary for fulfilling contractual obligations.
4. Paro shall take all necessary steps to ensure that any third parties engaged in the performance of the agreement observe the same level of confidentiality as if they were themselves party to this agreement.
 5. The confidentiality obligations outlined in this article shall remain in force 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 contract, Paro shall not be held 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, damage, or repair costs related to defects in the manufacturing or design of third-party equipment or systems, including packaged software and hardware.
3. Paro shall only be liable for direct damages resulting from an attributable failure in the performance of the agreement. Direct damage shall exclusively mean:
 - a) reasonable costs incurred to have Paro's performance comply with the agreement, unless the agreement is terminated by the client;
 - b) reasonable costs incurred by the client to maintain their existing systems and any related facilities for a longer period due to delayed delivery, less any resulting savings;

- c) reasonable costs incurred to determine the cause and scope of the damage, to the extent such determination relates to direct damage as referred to in this article;
- d) reasonable costs incurred to prevent or limit damage, to the extent the client demonstrates that these costs have led to a limitation of direct damage as referred to in this article.

The client must report any damages to Paro in writing without delay. Claims for compensation shall be rejected if faults, losses, or damages are not reported as soon as possible after arising.

- 4. Paro shall not be liable for indirect, incidental or consequential damages, including but not limited to loss of profit, loss of data, business interruption or reputational damage. This exclusion does not apply in the event of intent or deliberate recklessness by Paro.
- 5. Paro does not guarantee that the Software will be suitable for the client's intended use or specific purposes.
- 6. Paro's total liability for damages suffered by the client as a result of an attributable failure shall be limited to the amount paid out under Paro's liability insurance. If no insurance payment is made, Paro's liability shall not exceed the total amount invoiced for the agreement. In the case of an agreement with a term exceeding twelve (12) months, liability shall be limited to the total amount invoiced over a maximum of one (1) year. In all cases, liability shall be limited to a maximum of €100,000.
- 7. The limitations set out in 10.6 do not apply in the event of intent or gross negligence by Paro or its managerial staff.
- 8. The client warrants that no rights of third parties prevent the provision to Paro of software, hardware, materials, data files or other items, including preparatory materials, for the purpose of use, modification, installation or incorporation. The client shall indemnify Paro against any claims by third parties based on the allegation that such provision, use, modification, installation or incorporation infringes their rights.
- 9. The client indemnifies Paro against all claims by third parties who suffer damages in connection with the execution of the agreement, where such damages cannot be attributed to Paro.
- 10. Paro shall not be liable for any damage resulting from changes or modifications to the Software made without Paro's written consent, or from use of the Software in violation of the agreement.

Article 11. Cancellation, Suspension and Termination

- 1. A purchase order submitted 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 execution of the agreement. In such case, Paro shall be entitled to compensation for any loss of capacity or scheduling resulting from the premature cancellation.

3. If the client terminates the agreement in whole or in part, Paro shall be entitled to reimbursement for all work performed up to that point, as well as for any reasonable costs arising from commitments already undertaken in the context of the agreement.
4. In the event of cancellation by the client under this article, the client shall indemnify Paro against any claims by third parties arising as a result of such cancellation.
5. If the client is declared insolvent or bankrupt, or if a petition is filed for the client's liquidation, bankruptcy or suspension of payment, or in the event of seizure, debt restructuring or any other situation that limits the client's ability to freely dispose of its assets, Paro shall have the right, without being liable for any compensation, to suspend performance or terminate the agreement in whole or in part with immediate effect. Paro shall be entitled to demand immediate payment of all outstanding amounts in such cases.
6. Paro shall be entitled to terminate the agreement in whole or in part if the client, after having received proper written notice of default and having been granted a reasonable period of at least fifteen (15) days to comply, fails to fulfill its contractual obligations in full or on time.
7. Paro shall also be entitled to suspend performance of the agreement or to terminate it in whole or in part if:
 - circumstances come to Paro's attention that give reasonable cause to doubt the client's ability to meet its obligations;
 - the client fails to provide adequate security for the fulfillment of its obligations when requested to do so;
 - delays attributable to the client prevent Paro from performing in accordance with the agreed terms and conditions.

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 fourteen (14) days of discovery. If no such notice is given 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 will, where reasonably possible, still carry out the agreed work, unless doing so has demonstrably become futile. If performance is no longer feasible or meaningful, the parties shall consult on appropriate next steps. Paro's liability, if any, shall remain subject to the limitations set out in 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, Vienna Sales Convention) is expressly excluded.

2. Unless mandatory provisions of law dictate otherwise, any disputes shall be submitted to the competent court in Haarlem, the Netherlands.
3. Before initiating legal proceedings, the parties shall make every reasonable effort to resolve the dispute through mutual consultation.

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.