

## **GENERAL TERMS AND CONDITIONS PARO SOFTWARE B.V. - SOFTWARE**

**These general terms and conditions apply to all purchase from PARO of the following goods and services: *SOFTWARE*. If the agreement between the client and PARO does not relate to such goods and/or services, please refer to the general terms and conditions for engineering and/or development and sales.**

### **Article 1. Definitions**

1. Unless otherwise defined in these terms and conditions, all terms used shall have the following definitions;
  - **PARO:** PARO Software B.V. a private limited company, located in (1967 DA) Heemskerk, De Trompet 1135. PARO is user of these general terms and conditions.
  - **client:** each natural person or legal entity that has engaged PARO to perform work or that receives an offer which is governed by these general terms and conditions.
  - **Software:** data and computer programs and the data carriers on which this has been recorded, as well as all directly relating thereto;
  - **Licence:** the right of the client to use the Software in accordance with the provisions of these terms and conditions.

### **Article 2. Applicability**

2. These terms and conditions are applicable to all offers, quotations and all contracts between PARO and a client. The client's order is presumed to be an acceptance of these terms and conditions.
3. If PARO executes the agreement with the assistance of third parties, the relevant (contract and/or guarantee) terms and conditions of that transaction will also apply to the agreement between PARO and the client.
4. Any deviation of these terms and conditions should be made clear in writing.
5. The applicability of any conditions of the client is expressly rejected. Application of any conditions of the client is only possible if agreed in writing by parties.
6. If PARO does not apply these general terms and conditions strictly to the contract and the execution of the contract, this does not mean these general terms and conditions are set aside. PARO can still require strict compliance at every moment.
7. If one or more of the provisions of these general terms and conditions are invalid or set aside, the remaining provisions of these general terms and conditions shall remain applicable in full. PARO and the client will in that case enter into consultation with a view to making agreement on the substitution of the invalid provisions with new ones that approach as closely as possible the purpose and the tenor of the original provisions.
8. If a situation occurs that is not described in these terms and conditions, this shall be judged in the spirit of these general terms and conditions.
9. PARO may amend the present conditions. Amendments shall also apply to contracts already entered to. PARO shall announce any such amendments well in advance. The client may terminate the contract as per the date on which the amended conditions will take effect, if the client does not wish to accept such amended conditions.

**Article 3. Offers and agreements**

1. All offers issued by PARO shall be without engagement. All offers are open for acceptance within the period stated by PARO in the offer or, when no period is stated, within 30 days from the date of the offer. PARO reserves the right to revoke or change an offer. Prices are set in euro and exclusive of taxes and charges by any governmental body or authority.
2. Additions and/or changed to the order confirmation and/or quotation are only binding on the parties if these have been laid down by the parties in writing. PARO cannot be bound by the offer if the offer contains a mistake, which should reasonably be recognized as a mistake by the client.
3. The contract shall only come into force upon written confirmation of the client, upon confirmation of PARO to the client or when PARO makes a start with the execution of the contract, in accordance with the client.
4. The contents of the contract are considered to be laid down in full and as the only document in order confirmation.
5. Additions and/or changes to the order confirmation are only binding on the parties if these have been laid down by parties in writing. The additions have to be confirmed by PARO. If the acceptance differs to the offer set out in the quotation, PARO is not bound to those differing points. An alteration of the agreement can change the agreed upon completion deadline. The client accepts the possibility of an alteration of the agreement, including a change in price and completion deadline.
6. The client is not entitled to transfer rights and/or obligations ensuing from the agreement to a third party, unless otherwise is agreed by parties

**Article 4. Prices and payment**

1. Prices set by or agreed to with PARO are exclusive of taxes, charges by any governmental body or authority, and additional costs (such as travel costs and costs of shipment) unless otherwise is stated.
2. PARO is authorized to require the client to pay immediate advance and/or provide additional security in a manner to be at the PARO's discretion, if the PARO believes that the client's financial position and/or payment record give reasonable grounds to do so. PARO shall be entitled to require advance payment of not more than 50% of the fee payable. Advanced payment is due within 14 days of the invoice date unless otherwise is agreed in writing. The advanced payment will be deducted from the final invoice.
3. Payment is due within 14 days of the invoice date by transferring or depositing the payable amount to the bank or bank giro account stipulated by PARO, unless otherwise is agreed in writing. Complaints do not suspend the payment obligation
4. If the client fails to remit payment within the 14-day period, the client shall be held in default by operation of law without formal notice. The client shall in that case be liable for the payment of interest equal to the statutory commercial interest rate at that time. PARO reserves the right to have payments made by the client extend first to payment of costs, then to outstanding interest and finally the principal amount and the current interest, even if the client states that the payment relates to other invoices or bills.
5. If the client fails to remit payment within the 14-day period, PARO will be allowed to claim the in court and out of court costs with the client. The client also owes interest over the collection fee due.

6. PARO shall at all times be entitled both prior to and after conclusion of the contract to require security for payment or advance payment, suspending its performance of the contract until such security has been provided and/or such advance payment has been received by PARO. The client will be held liable for any damage, caused by the suspension of the performance.
7. In the event of the client being liquidated, declared bankrupt or granted suspension of payment, the claims of PARO on the client shall become immediately due and payable. PARO may suspend its performance and is, without judicial intervention, entitled to terminate the agreement.

### **Article 5. Execution of the agreement**

1. PARO will ensure that his services will comply with the agreement and the purpose of the agreement. The agreed date of delivery of certain items or completion deadline for certain activities is never a fatal deadline.
2. Examples and descriptions whether in catalogues, brochure, offers or other documents issued by PARO are intended as a guide only and the contents shall not be binding on the client.
3. The client ensures that all data, of which PARO indicates to be necessary in order to execute the agreement, or which the client is reasonably to understand that it is necessary to execute the agreement, is provided to PARO in time. When the data, necessary to execute the agreement, is not provided in time, PARO is entitled to postpone the agreement and/or charge the client with the additional costs coming from the delay. The completion deadline will not start before the data is handed over to PARO. PARO shall under no circumstance be liable for any forms of damage, as PARO was faced with incorrect and/or incomplete data from the client.
4. The client shall be obliged to assess under its full and exclusive responsibility whether the software delivered conforms to the functional or technical specifications made known by PARO in writing and, if the software is entirely or partly custom-designed, the functional or technical specifications agreed between the parties in writing.
5. If on carrying out the agreed acceptance test it emerges that the software contains errors, the client shall notify PARO of the errors no later than one (1) month after delivery of the Software. The Software shall be deemed to have been accepted between parties if the client does not notify PARO about any errors in the period of one (1) month after delivery of the Software.
6. PARO shall make every effort to fix errors in the Software within a reasonable period of time if PARO receives detailed written notification of these errors within a period of one (1) month following delivery.
7. PARO shall not be obliged to fix errors that are reported following expiry of the guarantee period referred to in Article 5.5 of this article, unless the parties have entered into a separate maintenance agreement that incorporates an obligation to this effect.
8. PARO does not and cannot warrant that the Software operates in a manner that is completely error-free.
9. The risk of loss, theft, misappropriation of or damage to items, products, data, documents, software, data files or data produced or used within the context of the execution of the agreement, shall pass to the client when the client or one of the client's agents comes into actual possession of them.

**Article 6. Right of use**

1. Upon full payment of the agreed price, the client is granted the right to use the Software. PARO sells to the client the data carriers on which the Software is recorded.
2. PARO grants the client a non-exclusive right of use of the Software described in the agreement. The client is not allowed to transfer this right to a third person. The right of use grants the right to the client to use the Software exclusively in his own business.
3. The client has the right to use the Software exclusively in his own business and on the processing unit(s) for which the right of use (licence) has been granted.
4. PARO permits the client to use the Software only in accordance with these terms and conditions. The client may not provide the Software to others, directly or indirectly for their or anyone else's use.
5. The Software may be provided with protective technical measures, as a following of which the Software can only be installed on the agreed number of computers.
6. The client will not be entitled to carry out any changes to the Software codes, even if he deems this necessary for the elimination of defects.
  
7. Licenses are granted to the client under condition that the client pays the agreed compensation timely and in full compliance.
8. PARO offers a limited warranty that the Software will be free from defects under normal use for a period of three (3) months from the date the Software was delivered
9. This limited warranty does not cover damage caused by misuse or abuse and modifications made by someone not authorized by PARO.
10. The warranty will lapse if the client does not use the Software in the manner described in the documentation.
11. If a failure occurs in the period of three (3) months from the date the Software was delivered, PARO will repair or replace the nonconforming Software. All replaced Software (and licence(s)) becomes the property of PARO.

**Article 7. Retention of title and rights and intellectual property**

1. All goods delivered (including licences) shall remain the property of PARO until receipt of payment in full of the amounts due by the client to PARO in respect of any delivery, including interest and costs. After fulfilling all his obligations, the client has the right to use all goods with the purpose of the agreement.
2. All intellectual or industrial property rights to any software, equipment or other materials developed or provided under the agreement, such as analyses, designs, documentation, reports, offers, and any preparatory material belonging thereto, shall solely be held by PARO or its licensors. The client is not allowed to copy Software or to sell, rent, loan or dispose it to third parties, unless such is allowed under statutory regulations.
3. The client shall indemnify PARO against any third-party cause of action based on the claim that goods or other materials developed and/or supplied by PARO itself infringe an intellectual or industrial property right.
4. The client may not remove any copyright or other proprietary notations from the Software.
5. PARO herewith expressly reserves the right to deliver the Software with inbuilt technical protective mechanism.

**Article 8. Confidentiality**

1. Each party shall hold the other party's confidential information in confidence and shall not disclose such confidential information to third parties nor use the other party's confidential information for any other purpose other than necessary to perform under this agreement.
2. Information shall be considered to be confidential if the other party has indicated so or if the confidential character results from the nature of the information.
3. This article shall not apply to:
  - the party's own employees who reasonably need to know such confidential information;
  - the party's business, legal and financial advisors, each on a confidential basis and to the extent such information is necessary to fulfill obligations.
4. PARO shall take the measures necessary to ensure that any third parties involved in the agreement fulfill the confidentiality obligation as if they were party to this agreement.
5. The duty to maintain confidentiality shall survive termination of the agreement.

**Article 9. Force Majeure**

1. PARO is not required to comply with any obligation if prevented from doing so as a result of a circumstance that is beyond their control and for which they cannot be held accountable by virtue of the law, a juristic act or generally accepted views. PARO can suspend his contractual obligations during the period of force majeure. If the period of force majeure lasts for longer than two months, either party shall be entitled to dissolve the contract without being obliged to pay any compensation for damages to the other party. In this case, PARO will remain entitled to demand payment for the services it supplied with respect to the performance of the contract before the circumstances that caused the force majeure became apparent.
2. In these general conditions, force majeure is defined - in addition to that which is deemed as such by law and legal precedent - as all circumstances, foreseen or unforeseen, that are beyond the control of PARO but which prevent PARO from meeting his obligations. That includes strikes at PARO's business. PARO is entitled to invoke force majeure if the circumstances rendering (further) fulfillment of the obligations impossible commence after the point in time on which PARO should have fulfilled his obligations.

**Article 10. Liability and indemnification**

1. To the extent that PARO depends on the cooperation, services and supplies of third parties for the performance of the contract, PARO will not be liable for any damage resulting from these relations or their discontinuation, irrespective of whether the damage is caused or becomes apparent when the relation with PARO is ongoing.
2. PARO shall not be liable for any loss, damage or cost of repair related to any defects in the manufacture or design of any third-party equipment or systems, including package software and computers.
3. PARO is only obliged to refund direct damage sustained by the client as a result of fault(s). Direct damage shall only concern:
  - a) the reasonable costs possibly incurred to have PARO's faulty performance meet the conditions of the agreement unless the agreement is terminated by the client;
  - b) the costs incurred by the client for keeping his old system(s) operational for a longer time and for any facilities connected thereto, minus any savings that may have been made as a result of the delayed delivery;

- c) the reasonable costs made to determine the cause and size of the damage, given that this determination affects damage as described in this condition;
- d) costs made to limit the damage, given that the client proves that these costs have led to a limitation of direct damage as described in these general terms and conditions.

In the event of any loss or damage the client must notify PARO of this in writing without delay. Any claim for compensation shall fail if faults are not issued as soon as possible after arising.

- 4. PARO is not liable to the client for any incidental, indirect, special or consequential damages arising out of or in connection with the contract. This clause is subject to exception in cases of intentional act or omission on par with gross negligence on the part of PARO.
- 5. PARO shall not guarantee that the software made available to the client will be fit for the actual and/or intended use by the client.
- 6. PARO's liability for losses or damage suffered by the client as a result of the contract is limited by the amount of which PARO's liability is insured. In the event of the damage, attributable to PARO, is not paid by the insurer of PARO, the liability of PARO will not exceed the costs of the original order. If the contract is, in essence, a continuing performance contract with duration of more than 12 months, the price is set at the total of payments for one year. PARO has no liability whatsoever beyond a maximum sum of € 100.000,00.
- 7. The limitations in article 10.6 on the liability are not applicable when the damage is caused by intent or serious misconduct by PARO or any of its managerial subordinates.
- 8. The client warrants that no rights of third parties preclude the provision to PARO of software, hardware, material, data files or other materials, including draft materials, for the purpose of use, adaptation, installation or incorporation. The client shall indemnify PARO against all claims by third parties based on the assertion that such provision, use, adaptation, installation or incorporation constitutes an infringement of any rights of the third party in question.
- 9. The client clears PARO of any claims by third parties, which have suffered damage as a result of the execution of the agreement and that have a cause that cannot be attributed to PARO.
- 10. PARO cannot be liable for defects if Software errors arise after interference such as changes and adjustments, or in the event of the use of Software in breach of contractually agreed use.

#### **Article 11. Cancellation, suspension en termination**

- 1. A purchase order placed by the client and confirmed by PARO cannot be cancelled by the client without PARO's written consent.
- 2. The client may cancel the agreement before PARO has started execution of the agreement. PARO shall be entitled to compensation of the loss of capacity utilisation caused by premature cancellation.
- 3. If the client dissolves the agreement in whole or in part, PARO shall charge the client for all the activities carried out as well for all reasonable costs that arise from obligations already commenced by PARO.
- 4. In the event that the client cancels the agreement in terms of this article, the client shall indemnify PARO against any claim brought by third parties resulting from the client's cancellation.



5. If the client is declared insolvent or bankrupt or if a petition is filed for the client's compulsory liquidation or bankruptcy, attachment, debt rescheduling regulations or any other circumstance that prevents the client from free access to its assets, PARO shall have the right, without being required to pay any compensation or reimbursement, to dissolve the agreement in whole or in part or to suspend performance of the agreement. PARO shall in that case be entitled to demand immediate payment of any outstanding amounts.
6. PARO has the right to dissolve the contract in whole, when the client fails to meet (part of) its obligations completely, or timely, following a proper notice of default, observing a time period of 15 days.
7. PARO has the right to suspend performance of the contract or to dissolve the contract in whole, when PARO finds out that there are circumstances which lead to reasonable doubt about the client's ability to meet its obligations, when the client is required to provide sufficient security concerning the fulfillment of its obligations deriving from the agreement, and when this security is not given or not sufficient or when a delay caused by the client prevents PARO to meet the original conditions of the agreement. The client will not be entitled to any compensation.

#### **Article 12. Complaints**

1. Any faults or defects shall be reported in written within 14 days of discovery. In the event claims are not lodged to PARO within this period of time, the product(s) is/are supposed to be accepted without any complaints.
2. If the complaint lodged by PARO is well founded, PARO shall yet do the work as agreed upon, unless such has become demonstrably useless in the meantime. If it is no longer possible or useful to do the work as agreed upon, parties will consult about the consequences. PARO shall only be liable within the limits of article 10.

#### **Article 13. Disputes**

1. All legal relationships between PARO and the client to which these terms and conditions apply shall be governed by the laws of the Netherlands. The applicability of Vienna Sales Convention is excluded.
2. In the absence of mandatory rules of law to the contrary, the court in Haarlem has exclusive competent jurisdiction.
3. The parties shall not refer a matter to court until they have done their utmost to resolve the dispute in mutual consultation.

*These terms and conditions are set out on the website [www.paro.nl](http://www.paro.nl) and shall also be sent upon request free of charge. By accepting an offer the client accepts to be bound by these terms and conditions.*