

GENERAL SALES, SUPPLY AND PAYMENT CONDITIONS FOR HOTEK SECURITY BV.

Article 1: DEFINITIONS

In these General Conditions the terms below have the following meaning:

- 1a. Client: the (legal) person, the (part of the) company or institution that orders the supply of items or services (Agreement) or the formulation of an Offer.
- 1b. Hotek: Hotek Security BV. A limited partnership established in Oud Gastel, the Netherlands. Hotek Security & Comfort Systems is the trade name, hereinafter called "Hotek".
- 1c. Agreement(s): the Agreement to supply items and/or supply services between Hotek and the Client.
- 1d. Offer(s): among other things, all included and/or possible modifications of and additions to tenders, price indications, rates, instructions, as well as commitments.

Article 2: APPLICABILITY OF CONDITIONS

- 2a. The conditions below are declared to apply to all Offers and Agreements.
- 2b. Deviating conditions are only legally valid if and in as far they have been agreed upon expressly in writing, and only apply to the respective Agreement(s) and/or Offer(s).
- 2c. By supplying the Offer(s) and Agreement(s) the client declares to be familiar with the contents of the Hotek conditions.
- 2d. If any or several separate provision(s) in the General Conditions between Client and Hotek are declared to be invalid, the validity of the other provisions in these Conditions is unaffected. The Parties will negotiate on the contents of any or several separate provisions and replace it/them with a provision as agreed upon by both Parties, in which the contents come as close as possible to the original provision.
- 2e. The conditions below and the applicability thereof, as established in Article 2a, represent the full rights and obligations of the Client and Hotek, and replaces all applicable written and/or verbal agreements/comments or statements.

Article 3: OFFERS AND AGREEMENTS

- 3a. All offers and/or tenders of Hotek, in whichever form, are free of any obligations and apply for the period indicated in the offer and/or tender, and in default thereof for a maximum of 10 business days from the date the offer and/or tender was sent. In other cases Section 2b applies.
- 3b. The Agreement enters into force in accordance with a written acceptance/confirmation. If the nature and/or scope of the Agreement do not require written confirmation, the invoice serves as the order confirmation.
- 3c. The Agreement(s) of the Client on the behalf of third parties is/are considered to be signed on behalf of those third parties. The Client vouches for the knowledge and acceptance of the Conditions by third parties.
- 3d. In the case where data and drawings are provided to Hotek by the Client, Hotek may reasonably assume they are correct and form the basis for an Offer.
- 3e. The prices stated in the Offer are based on supply ex-works (EXW), in accordance with Incoterms 2000.
- 3f. An Agreement is entered into subject to condition precedent of the creditworthiness of the Client.
- 3g. The (test) models, designs provided, images and programmes etc. provided by Hotek constitute part of the Offer(s) and remain at all times the property of Hotek. They may not be provided in full or partially to third parties, without written permission from Hotek.

Article 4: INTELLECTUAL PROPERTY RIGHTS

- 4a. Unless agreed otherwise, Hotek retains the copyright and all industrial property rights in the Offers, including (test) models, provided designs, images and programmes etc. it issues.
- 4b. The rights to the data mentioned in Article 3a remain the property of Hotek, regardless of whether the costs for the manufacturing thereof were charged to Client. This data may not be copied, used or provided to third parties, without the express permission of Hotek. In the event this provision is breached, the Client is liable to pay a fine of € 25,000 to Hotek. This fine can be claimed, apart from damages, by virtue of the Law.
- 4c. The Client must return the data provided to him, as intended in Article 3a, at the first request within the term stated by Hotek, as hereafter established in Article 14d. In the event this provision is breached, in the sense of delay, damage and non-return, the Client is liable to pay a fine to Hotek amounting to the gross price + 8% administration costs, which will be invoiced with a minimum of € 500. This fine can be claimed, apart from damages, by virtue of the Law.

Article 5: PRICE LISTS

- 5a. The stated prices are excluding value added tax (VAT) and packing. Prices are stated in Euros. Hotek is entitled to modify the prices and/or rates of items or services that have not yet been supplied and/or not yet paid for any changes in price determining factors, such as factory costs, raw material prices, wages, exchange rates, foreign currencies, transport costs, import duties or charged that are equal to those, if 3 months have passed since the conclusion of the Agreement.

Article 6: DELIVERY TIME AND INSTALLATION

- 6a. The delivery time is established by Hotek after agreement with Client.
- 6b. The delivery time commences on the first business day after the conclusion of the Agreement.
- 6c. The delivery time as established in Article 6a is established under the condition that Hotek can carry out its undertakings in compliance with the Agreements under the normal conditions that apply at that moment.
- 6d. In the case extra work is required, the delivery time is extended by the time required to supply/have supplied the materials and parts for that purpose, and to carry out the extra work. If the extra work cannot be accommodated in Hotek's planning, the activities will be concluded as soon as the planning so allows.
- 6d. Hotek will do its utmost to comply with the delivery time. The Client does not have the right to cancel the Agreement and/or claim damages in the event the delivery time is exceeded, unless a delivery deadline was agreed upon by Parties in writing. The mentioned damages will never amount to more than the damage that demonstrably and directly is the result of exceeding the delivery time.
- 6e. Delivery will be delayed by Hotek as long as Client is in default with regard to his payment obligations towards Hotek, for any reason whatsoever.
- 6f. If partial payments have been agreed upon, delivery will only take place after the partial payment has been made.
- 6g. During installation, Hotek's engineers should be provided with unlimited access to all necessary rooms. A storage room for the tools should also be available. Hotek's engineers can be recognised by the Hotek work clothing and are not allowed to accept orders from third parties. All orders are issued via the Hotek project manager. During the installation period, Hotek's engineers shall have a free parking space at their disposal for at least 1 car. Extra parking costs and waiting hours are charged separately. Installation of door locks takes place in accordance with the applicable construction instructions; possible additional costs for painting doors and window frames are at the expense of the Client.

Article 7: DELIVERY, TRANSPORT AND CALL OUT CHARGES

- 7a. The delivery is completed as soon as the products and/or services have been delivered/provided at the address as stated by the other Party, or have been received at the stated address.
- 7b. From the time of delivery, the risk for loss and/or damage to items is at the expense of the Client. The items are transported at the risk of the Client, and only if Hotek receives any compensation for damage and/or loss of these items will it make this compensation available to the Client in the form of a credit bill.
- 7c. Unless otherwise agreed upon in writing, the service is delivered by Hotek to the Client in accordance with EXW, Incoterms 2000.
- 7d. Transport and call out charges are at the expense of the Client, unless otherwise agreed upon in writing. Call out charges for projects are charged at the currently applicable project rate. The call out charges for individual maintenance and/or service activities are charged at the currently applicable rate per kilometre for return trips.

Article 8: PAYMENT

- 8a. Payment should take place in the way as mentioned on the invoice and no later than 14 business days after the invoice date, unless otherwise agreed upon in writing.
- 8b. Settlement or netting is not allowed.
- 8c. If an Agreement may be carried out in parts, Hotek is entitled to charge the Client for the partial deliveries carried out.

- 8c. If a Client has not paid an invoice within the agreed time, the Client is liable to pay interest after expiration of this time, equal to 10% per annum, but at least equal to the statutory interest, if that is higher at the time of the default.
- 8d. Hotek is entitled, if Client does not settle the invoice within the time as stated in Article 8a, to partially or completely cancel the Agreement without legal intervention, and claim back the supplied items and/or services and/or to claim damages.
- 8e. The collection costs incurred by Hotek, both the legal and non-legal, are at the expense of the Client. The extrajudicial collection costs are considered to amount to at least 15% of the invoice amount, with a minimum of € 1000, or as much as Hotek can demonstrate that it incurred in extrajudicial costs.
- 8f. In the event of untimely or non-payment, no service activities are carried out. This also applies to faults.

Article 9: RESERVATION OF OWNERSHIP AND RIGHT OF LIEN

- 9a. Hotek reserves the ownership of the items and installations delivered by Hotek, until the complete payment of all claims (including interest and costs) on the Client have been settled.
- 9b. Upon expiration of the invoice term, Hotek reserves the right to repossess the supplied services and/or goods delivered, and to enter locations that provide access to where the goods are located and where the services were carried out.
- 9c. Under the reservation of ownership, the Client is never authorised to burden and/or loan and/or hand over the goods supplied in any way, so long full settlement has not yet taken place.
- 9d. The Client is never entitled to process or sell the goods received by virtue of Agreement, within the framework of the Client's ordinary activities. In this case, the Client timely informs the buying party in advance about the full contents of this Article.

Article 10: FORCE MAJEURE

- 10a. In case of force majeure the obligations of the Parties are mutually suspended, without Hotek being liable for any damages, without prejudice to the right of Hotek to payment from Client for activities already performed before force majeure arose.
- 10b. Hotek will inform the Client in the event of force majeure as soon as possible on the suspension.
- 10c. Force majeure is understood to mean: any circumstance that was unforeseeable when the Agreement was signed, due to which compliance with the commitments cannot be reasonably demanded. In the case where force majeure is of a permanent nature or is longer than 20 business days, during which in all reason compliance cannot be demanded, each Party can cancel the Agreement for the future by a single written statement.

Article 11: GUARANTEES & CLAIMS

11. Regarding a period of liability of 12 months from the date of delivery, with exemption of every other provision by whatever title, Hotek determines the following:
- a. liability for defects is limited to repairing goods, delivered services and/or crediting what was charged before the delivery, given the Client can demonstrate that the defects to the delivered items and/or provided service have occurred within the guarantee term, which is described in the tender, and furthermore that the defects are exclusively or mainly the result of construction errors or the use of poor materials.
- b. If an agreed performance for the work is concerned, Hotek vouches for the good quality of the delivered items, construction and the materials used, on the condition that Hotek was free to choose those. If it turns out that the delivered items, construction or used materials are not of good quality, Hotek will repair or replace them. The items, delivery and installation for repair or replacement are agreed upon in writing by Hotek with Client and are at the expense of Hotek.
- c. If the agreed performance of an item delivered is concerned, Hotek vouches for the good quality of the delivered item. If it turns out that the item was not of good quality upon delivery, the item must be returned post-paid to Hotek. Hotek will then repair the item, replace it, or credit Client for a proportionate part of the invoice.
- d. If the agreed performance of processed items or materials supplied by Client is concerned, Hotek vouches for the good quality of the processing carried out. Where the poor quality of the processing is established, the Parties will agree either to carry out the processing once again, for which Client supplies new materials at his own expense, or Hotek repairs the defect, for which Client returns the material post-paid to Hotek, or Hotek credits Client for a proportionate part of the invoice.
- e. If liability as described in Article 11a is concerned, the Client should inform Hotek about this within 14 business days by registered mail.
- f. The Client can only call upon Article 11 if he has complied with all his obligations towards Hotek.
- g. If the Client calls upon the guarantee provisions, the Client should provide Hotek with the opportunity to investigate the correctness of the stated defects.
- h. Claiming or crediting as established in Article 11 does not indemnify the purchaser from his payment obligations towards Hotek in the sense of Article 8.
- i. The Client will indemnify Hotek from each form of guarantee for defects in delivery for supplied items and/or services and/or used materials if normal wear, improper use, no or improper maintenance and/or installation, mounting, modification or repairs by Client or third parties are concerned.
- j. No guarantee is provided for delivered items that were not new at the time of delivery.
- k. Each liability for the items delivered by Hotek is excluded, as far as allowed by statute.
- l. The Client is not entitled to refuse or postpone payment based on a claim concerning a certain item or supplied service or other deliveries or services, to which the claim does not apply. Hotek can never be held liable for compensation for commercial damage possibly resulting from claims.

Article 12: LIABILITY

- 12a. Hotek is liable for damage sustained by the Client that is a direct and exclusive result of a shortcoming that can be attributed to Hotek.
- 12b. With due regard of what is established in Article 11, the liability is limited to the damage which demonstrably and directly is the result of the fault, and only damage which eligible for compensation for which Hotek is insured, or should have been insured, in all fairness, in view of the practice applicable in the branch.
- 12c. Insurance claims should be reported to Hotek by registered mail within 8 days of the discovery of the damage. After the expiration of the period indicated above, the liability right lapses.
- 12d. Loss of turnover, loss of profit, and commercial damage to Client, damage caused by auxiliary goods, consequential damage resulting from intent and/or gross negligence of non-managed subordinates or auxiliary staff is not eligible for compensation.
- 12d. The Client indemnifies Hotek for all claims from third parties, due to product liability, as a result of a defect in an item that was supplied by the Client to a third party and that (also) consisted of items and/or materials supplied by Hotek.

Article 13: ANNULMENT AND DISSOLUTION

- 13a. Complete or partial annulment of an Agreement by the Client is only accepted if the Client pays reasonable compensation for the costs incurred by Hotek, the loss suffered by Hotek, or the loss of profit suffered by Hotek.
- 13b. If the Client does not, improperly, or untimely comply with one or more commitments resulting from the Agreement, Hotek is entitled to dissolve and/or suspend the Agreement without proof of default and without judicial intervention, without Hotek being held liable for any compensation for damages, without prejudice to Hotek's right of compensation for damages. In case of dissolution, the invoice for the respective delivery is immediately claimable.

Article 14: RETURN SHIPMENTS AND CONSIGNMENT SHIPMENTS

- 14a. Return shipments are only accepted after prior consultations and accompanied by a return number as stated by Hotek. In the case of returning items supplied by Hotek, the value of the items to be taken back will be determined by Hotek.
- 14b. Shipments with an invoice value below € 90 are not taken back, unless otherwise agreed in writing by Parties.
- 14c. Repair shipments should always be sent post-paid to Hotek. Carriage free shipments are not accepted by Hotek.
- 14d. Consignment (demonstration) products should be returned post-paid within 60 days to Hotek.

Article 15: DISPUTES AND APPLICABLE LAW

- 15a. All disputes, including those disputes that are only considered as such by one of the Parties and to which these Conditions apply, which arise between the Client and Hotek will be decided upon by a competent judge in Breda, the Netherlands.
- 15b. Dutch Law applies to all agreements entered into by Hotek, regardless of the nationality of the Client. The applicability of the Vienna Sales Convention 1980 (CISG) is exempted.
- 15c. If these General Sales, Supply and Payment Conditions are translated, in case of disputes concerning the interpretation, the Dutch language version has priority over the translated version.