

## **Annex I – CONDITIONS FOR THE PURCHASE AND SALE OF COFEM PRODUCTS**

The following terms and conditions govern the purchase and sale of PRODUCTS of COFEM, S.A. (referred to below) to the PARTNER and must be incorporated into any contract for the purchase and sale of such PRODUCTS to the END CUSTOMERS by the PARTNER, *mutatis mutandis*.

### **1. Definitions**

**“Purchaser”**: The entity that acquires from the Seller the PRODUCTS under the Contract.

**“Contract”** refers to the agreement or purchase order signed by the parties for the sale of the Products, together with these terms and conditions, as well as any other document that is incorporated into them by reference.

**“Confirmation of the Order”**: the confirmation issued by the Seller in respect to each request for Products by the Purchaser.

**“License Agreement”**: the licenses for use are for the end user of the Product Software, incorporated in the present contract and available on the same Product Software.

**“Technical Documentation”**: the manuals and other technical materials provided with the Products to explain the operation of the same and help in their use. It includes especially the “User Manual” of the Central Units, as well as the “User Manual” for the Product Software or the help screen.

**“Manufacturer”**: the company COFEM, S.A. domiciled in C/ Compositor Wagner, 8 - P.I. Can Jardí E-08191, Rubí (Barcelona), Spain, with N.I.F. A-08537144. To contact, go to Carretera de Molins de Rei a Rubí, Km 8,4, E-08191, Rubí (Barcelona), Spain

**“Products”** shall mean equipment, parts, materials, supplies, software, and any other goods described in the Confirmation of the Order.

**“Product Software”**: The “SOFTWARE-CENTRALES”, the software Easy CoNET, and the mobile applications “COFEM Guard” and “COFEM Installers”.

**“Seller”** refers to the manufacturer for sales to distributors; or, in case that the sales are carried out to the Purchaser by an authorized dealer of the manufacturer, the entity that supplies Products to the Purchaser under the Contract.

### **2. PURCHASE AND SALE - ORDERS AND ASSISTANCE**

2.1. These conditions govern the purchase and sale of the Products of the Manufacturer, their warranty and the delivery of services by the Manufacturer and Seller to the Purchaser.

2.2. Any special requests (for products or services from the Manufacturer) must be approved in advance in writing by the Technical Office of the Manufacturer and also accepted by the Purchaser. The Purchaser shall make payment in advance of 50% of the budget at the time of the confirmation order.

2.3. Without prejudice to the compulsory after-sales assistance service under the law (that the Seller must provide), the Manufacturer's Technical Support is not included in the price of the Product. Any Technical Assistance must be requested in writing to the Manufacturer indicating all data and accepting the corresponding fees.

### **3. PAYMENTS AND TAXES**

3.1. The Purchaser shall pay the Seller for the Products through the payment of all invoiced amounts in Euros, without any deductions, retentions, or offset payments by the Seller that were not due under this Contract, within a period of thirty (30) days from the issue date of the invoice.

3.2. The amounts for the Products shall become enforceable after (i) the delivery of the products or (b) the emission of the invoice for the Products by the Seller if the Purchaser is not able to accept the delivery of the Products on the scheduled date.

3.3. The prices should be understood to exclude taxes, and the Purchaser is responsible for the support of the taxes that are imposed on the sale of the Products to the Purchaser, including sales, use, indirect taxes, value added, works or any other type of tax or fee.

3.4. For each calendar month, or fraction of a calendar month, in which there is a delay of payment of the amounts owed, the Purchaser must pay a fee for delayed payment equal to the implementation of the lowest quantity of implementation (i) of a monthly interest rate of 1,5% on the balance due, or (ii) the highest legal interest.

3.5. Particular Conditions of Prices and Payments:

- First operation: CASH down and all those amounts less than 300€.
- Other forms of payment will be conditional on the approval by Cofem, S.A. of the credit of the Purchaser. Said credit as well as the time of payment, shall be determined according to a favorable report by the Dept. of Risk Control and the Insurance Company of Cofem, S.A., who reserves the right to remove credit to those customers who delay or postpone those effects.
- Shipping Fees: these will be paid for all orders of 500€ or more for fire detection and 1250€ for extinction. (Shipments within the Spanish peninsula)
- Small amounts: There is no delivery for items less than 120€. When it is unavoidable to make a delivery of less than this amount, 15€ on invoice will be charged, in concept of "order management and processing".

### **4. DELIVERY, TRANSMISSION OF THE TITLE, RISK OF LOSS**

4.1. Unless the parties agree otherwise, the delivery to the Purchaser will be produced (i) under the conditions [FCA on the premises or warehouse of the Seller (when the delivery is not for exportation); or (ii) under the conditions FCA in the Port of Exportation (when the delivery involves exportation) (Incoterms 2010)].

4.2. The Seller may deliver Products in advance of the delivery date. The delivery times are approximations and depend on the timely receipt of the necessary information by the Seller to fulfill the Contract without interruption. If the products delivered do not conform in quantity, type or price with the ones indicated on the delivery note or the concerned document, the Purchaser should notify the Seller within a period of eight (8) working days from the receipt of the Products. In case of damage, if detected in the packaging or the product itself, it should be noted in the delivery note that the carrier signs to support claims by that concept. The Seller shall, as soon as possible, correct said delivery note or related document.

4.3. Returns are not accepted after 8 days from the delivery. The payment of the returned merchandise will be conditioned to the proper state of the same, once received in the warehouses of the Seller, with the corresponding number of return acceptance. If not accepted, it will not be admitted.

4.4. Ownership of the Products as well as the risk of their loss will be transferred to the Purchaser with delivery of the Products. Notwithstanding the above, in relation to the Software, the Seller only grants a license to the

Purchaser under the terms established in the Product documentation, not giving any title over said Software under this Contract.

4.5. When the Purchaser plans to (re) export or to make an intra-community shipment, the Purchaser must provide the Seller with valid evidence for the trade or taxing authorities of having done said exportation or intra-community shipment.

## **5. WARRANTY - REPLACEMENTS - REPAIRS**

5.1. The Seller guarantees that two years from the delivery of the Products they will operate substantially as described in the Technical Documentation. The Seller and the Manufacturer (in their case) do not guarantee that the Products lack defects, that they will work without interruption, meet the expectations of the Purchaser, or will work correctly in combination with the hardware or software of the products of third parties (except for the Specified Computing Devices, as established in the Technical Documentation or License Agreement), nor that all the errors of the Products will be corrected. The use of the products in environmental conditions higher than 95% humidity will not be covered.

5.2. The Software Products are delivered and provided to the Purchaser under the guarantees established in the corresponding License Agreement and the minimum required by the regulations in force in the territory of the Purchaser at the time.

5.3. Any additional guarantee granted by a Seller that is not the Manufacturer will be the sole responsibility of said Seller.

5.4. If any defect exists in a Product or in the Technical Documentation, when the Purchaser may have knowledge of this, they will undertake to document it (or in this case, reproduce it) and bring it to the attention of the Seller and/or Manufacturer as soon as possible.

5.5. The Seller and/or the Manufacturer may resolve the problems affecting the substantial functioning of the Products (indicated in the Technical Documentation), using reasonable means and time limits. Notwithstanding the above, the Seller and the Manufacturer are not responsible for problems that external technical resources may cause to the correct functioning of the Products (especially but not only if such external resources have not been recommended in the Technical Documentation.)

5.6. For a defect in a Product to be sufficiently material so that the Seller or the Manufacturer are obligated to repair or replace the Product, the defect has to make the Product (as long as it is used in a manner allowed in this Contract and conforming to the Technical Documentation) work in a way that is so divergent from the Technical Documentation that it would make it inappropriate for the purpose described in the same. Also, if the required functionality can be achieved by the Purchaser in an indirect way or through an alternative form that circumvents the problem, then the damage shall not constitute a defect that places obligations on the Seller or the Manufacturer under this warranty.

5.7. The Purchaser shall not carry out modifications or repairs on their own nor allow such modifications to be carried out by unauthorized third parties. At the request of the Seller and/or Manufacturer, the Purchaser will support them in the analysis of the causes and conditions that give rise to a defect, as well as in the development and the test of correction codes or in an indirect alternative solution.

5.8. The only remedies in the event of Product defects are those of the express warranty referred to in this clause.

5.9. It is the responsibility of the Purchaser to verify that the products meet their needs. The Purchaser, without prejudice to the responsibility that corresponds to the Seller or the Manufacturer under the mandatory law, bear all the risks of implementation and the results obtained by the same and its suitability for the expected use.

5.10. It is understood that the Seller and the Manufacturer are released from their obligations under the expressed warranty when the defect has been caused by circumstances for which they are not responsible, including, without being limited to (on part of the Purchaser): (a) breach of the relevant License Agreements of the Software Products, and in particular the instructions contained in the Technical Documentation; (b) failure to comply with the provisions of this License; (c) unauthorized modification or interference with the Products either on part of the Purchaser or a third party; (d) errors in the use of the Products on the part of the Purchaser or third party personnel; (e) influences from systems or programs that have not been supplied by the Manufacturer; (f) use of the Product Software on a computing device that is not a Specified Computing Device.

5.11. IN THE EVENT THAT CONSUMER PROTECTION LAW APPLIES TO THE SALE/S OF THE PRODUCTS TO THE PURCHASER, THE MANUFACTURER ASSUMES THE COMPULSORY MANUFACTURER WARRANTY UNDER THE TERMS OF THE MANDATORY LAW OF THE TARGET TERRITORY FOR A MAXIMUM PERIOD OF TWO YEARS.

5.12. For clarification purposes, the warranties set out in this Contract do not cover replacements or repairs resulting from normal wear and tear of materials, damage or accidents from negligence, lack of monitoring or maintenance or improper use of the equipment.

5.13. **Replacements:** The Purchaser shall notify the Seller (at the address indicated in the product documentation) that the Product does not work properly. In the case that the Seller accepts the replacement of the Product based on this warranty or stipulated by the law, the Purchaser must return the defective equipment to the Manufacturer. To this end the Purchaser shall request an authorization number from the Seller, without which the returned product will not be admitted. The Seller will then send a replacement along with a corresponding invoice. The Purchaser is obligated to pay the price of the replacement Product as well as the related expenses if, upon receipt of the defective Product and after examining it, the Manufacturer determines that the original Product is out of warranty or that it did not function due to poor installation or manipulation by the Purchaser. Otherwise, the Seller will issue an invoice for payment of the replacement equipment.

5.14. **Repairs:** Any repairs outside the present warranty or the one stipulated by law may be budgeted and submitted for acceptance on the Purchaser's request. When a budget is not requested, the Manufacturer shall send directly to the Purchaser the corresponding invoice for the performed repair. Before sending the Product to the Manufacturer for repair, the Purchaser must apply for an authorization number from the Manufacturer, without which the Product will not be admitted. Elements or components substituted and/or repaired outside the warranty are guaranteed for six months under the terms of this clause.

## 6. LIMITATION OF LIABILITY

6.1. Except in cases of gross negligence or willful misconduct, the Seller's total liability shall not exceed the price of the Contract, or the price of each particular order for all claims arising from or related to that request.

6.2. The Seller and/or the Manufacturer will not be responsible for the loss of earnings, the loss of the use of equipment or systems, business interruption, cost of replacement power, cost of capital, cost of downtime, increases in operating costs, indirect damages, or claims of the customers of the Purchaser to any of the aforementioned types of damages.

6.3. If the Purchaser provides Products or Services to a third party, or uses the Products at the facilities of a third party, the Purchaser shall indemnify and hold harmless the Seller and the Manufacturer to each and every claim and liability that the third party could demand and which exceeds the limits established in this Contract.

6.4. The limitations of this Clause shall apply regardless of whether a claim is based on a contract, warranty, has a compensatory nature, or it derives from civil extra-contractual liability (including negligence), strict liability or otherwise, and shall prevail over any conflicting term, except insofar as these terms add further restriction to the liability of the Seller and/or Manufacturer.

6.5. The Seller and the Manufacturer will be exonerated from liability in the event that the Purchaser does not comply with the obligations under this Contract or the Software Products License Agreement.

6.6. Neither the Seller nor the Manufacturer shall have responsibility to ensure that the Purchaser possesses the necessary knowledge for the proper accomplishment of the purposes of this present Contract or aspects not covered in the same like the installation and use of the Products. Neither the Seller nor the Manufacturer will be liable for problems or defects that may arise as a result of inadequate knowledge by the Purchaser of the Products or their installation or use.

6.7. The Seller and/or Manufacturer will only be liable for losses or damages caused by their own (and respective) seriously negligent or wilful actions. This limitation of liability applies to all claims for losses or damages regardless of their legal basis, including, without being limited to, claims based on extra-contractual, contractual, pre-contractual or quasi-contractual liability.

6.8. In any case, the Seller and the Manufacturer shall be released from liability with regard to the Purchaser, in relation to the Products that: (a) have been modified by the Purchaser or a third party; (b) are used with other programs or data and such combination has led to an infringement of rights of a third party; (c) have been used in a computing device that is not a Computing Device Specified in the Technical Documentation; or (d) have been used and applied under other conditions different than those specified in the Technical Documentation.

6.9. The validity of the warranties and responsibilities, or their limitations, established in this Contract, will be subject to the provisions in respect to the mandatory law that affects them in the different States and/or Jurisdictions.

## **7. SUSPENSION, TERMINATION**

7.1. Either party may terminate the Contract in the event of substantial non-compliance by the other party that is not corrected within a reasonable period of time.

7.2. The Seller may suspend the fulfilment of its obligations under the Contract if the Purchaser breaches any obligation of payment under the Contract, as long as non-payment is not corrected.

## **8. FORCE MAJEURE**

8.1. The Seller shall not be liable nor deemed that it has reneged on its obligations if it complies to them late or impaired due to (a) causes beyond reasonable control; or (b) acts of God, acts (or omissions) of government authorities, fire, severe weather, earthquakes, strikes or other labor disturbances, floods, war (declared or not), epidemics, social unrest, disturbances, delays in transport; or (c) acts or omissions of the Purchaser.

## **9. CONFIDENTIALITY, INTELLECTUAL PROPERTY**

9.1. When confidential information is provided, the party which provides it must expressly specify that it is confidential information. The party receiving such information agrees that, with respect to such information: (a) it will treat it as confidential for a period of 5 years; (b) it will restrict its use to those matters which are necessary to conform to the obligations under the Contract; (c) restrict access to the staff and agents who need it for the implementation of the obligations of the Contract; and (d) the Seller may disclose it to its affiliates and subcontractors in connection to the performance of the Contract. Confidential information may not be reproduced or be known (except when required by law) except with prior consent expressed in writing on the part that would have provided such information. At their request, all copies of documents containing confidential information shall be returned except when they should be retained in compliance with a legal provision or Contract or proof of completion of the Contract.

9.2. All intellectual and industrial property, including the know-how, patents, copyright, designs or other similar rights placed at the disposal of the Purchaser as a consequence of the Contract shall remain the property of the Seller or the Manufacturer.

## **10. COMPLIANCE WITH THE LAW**

10.1. The Seller shall comply with all the applicable laws for the manufacture of the Products. The Purchaser shall comply with the laws in force concerning the application, operation, the use and the availability of the Products.

## **11. APPLICABLE LAW AND DISPUTE RESOLUTION**

11.1. This Contract is governed by and shall be interpreted in accordance with the laws of the Kingdom of Spain.

11.2. The parties, mutually and expressly waiving their own jurisdiction, agree that the solution to any litigious question derived from the interpretation or execution of this Contract, shall be settled by the courts and tribunals of Barcelona, in accordance with Spanish common Law applicable to the Contract, excluding the rules for conflict of law and excluding the United Nations' Convention on the International Purchase and Sale of Goods. The foregoing is without prejudice to the right of the Purchaser to go to another jurisdiction, in case that the obligatory law provides it.

## 12. SECURITY

### **IMPORTANT NOTICE ON THE LIMITATION OF USE OF THE SOFTWARE AND HIGH RISK ACTIVITIES.**

12.1. The Product Software is a tool that facilitates the programming of the COFEM Detection Units. It is not intended to be a tool from which the User can perform actions linked to the extinction or detection of fire. In this sense, the Software is only intended to be used where there already exists equipment that is used for the detection and possible extinction of fire.

12.2. The Product Software has not been designed nor intended for use in hazardous environments requiring functioning with protection against errors (high reliability), including but not limited to, operations at nuclear facilities, air navigation and communication systems, air traffic control, weapons systems, or protective equipment and life support, or any other circumstance, in which the failure of the Software could be the direct cause of death, injury, or bodily injury or serious damage to property or the environment. Any expressed or implied warranty of the Software's adaptation for this type of activity is disclaimed.

## 13. MISCELLANY

13.1. Special terms and conditions. These Terms and Conditions for the sale of Products will complement any special terms and conditions that the Seller and/or Manufacturer may accept, which shall prevail in the event of a conflict with these general terms and conditions. The Product Software is licensed to the Purchaser in accordance with the License Agreement in the User Manual and the installation or download of the corresponding computer application.

13.2. Changes. The Seller is not obligated to make any modification until both parties agree to it in writing. Written documentation of any modification that is agreed upon shall describe the changes in relation to the scope and time as well as the resulting changes in the price and other provisions, according to the agreement.