

TERMS AND CONDITIONS OF SALE, DELIVERY AND PAYMENT FORM 810-05 FOR FREUND ELEKTRONIKA D.O.O

§1. APPLICATION

These terms and conditions govern all offers, orders and deliveries unless otherwise agreed in writing by the parties involved.

§2. OFFERS

All offers are made pending the stipulations of §3. Each offer is valid for 30 days, unless other arrangements are specifically agreed to in writing.

§3. INTERMEDIARIES

Until seller has been informed of buyer's acceptance of the offer, seller is entitled to enter into agreements with any third-parties regarding the goods/services offered, with the ramification that the original offer will expire. Seller shall, with all due haste, inform the buyer in writing, that the offer has lapsed.

§4. PRICING

All prices are EX WAREHOUSE Odense. Prices exclude VAT and other forms of consumer fees. All prices are made based on the salary, cost of materials, currency exchanges rate as well customs and shipping fees in effect on the day of the offer. The seller shall be entitled to increase agreed prices of undelivered goods corresponding to price increases made by the seller's suppliers, changes in price of materials, taxes and duties, wages and salaries and the like. For any goods sold pre-assembled, it is accepted that assembly can be performed within normal working hours. If assembly is desired fully or partially as overtime, overtime payments and fees will be added to the overall cost.

§5. PAYMENT

All orders shall be paid in Euro (EUR) or United States Dollars (USD). Terms of payment according to the order confirmation. Seller reserves the right to demand that orders are paid in advance or to demand a bank guarantee before delivery. In the event of late payment, interest at the rate of 2,5 (two and a half) percent per month from the date of invoice shall be charged. If payment is not received when due or if the buyer fails to buy/receive the goods when buyer is so obliged, the seller shall be entitled, immediately and without further notice, to cancel the purchase.

§6. RETENTION OF TITLE

Title to the goods sold shall in each and every respect remain with the seller until the purchase price and all other costs in connection with the purchase have been paid in full by the buyer.

§7. RIGHT OF CHANGES

Seller reserves the right to, without prior notice, make alterations related to the construction, dimensions and descriptions concerning the goods offered, in particular, changes deemed as being improvement of said goods, if this can be done without inconvenience to the buyer. Data in offers, brochures and plans are merely provided for guidance and are not binding to the seller, unless otherwise and explicitly agreed to in writing.

§8. DELIVERY

All deliveries are EX WORX/EX WAREHOUSE Odense, and the estimated times of delivery are calculated from the date of the written order confirmation provided by seller. Seller reserves the right to alter the delivery estimate following reception of the order made by the buyer. Unless otherwise agreed to in writing, a 30-day postponement of delivery based on factors affecting seller, is considered to be an on-time delivery thus not granting buyer any authority over seller. For systems, installations, projects, time of delivery is calculated from seller's statement that final installation has taken place. Should delays be caused by delivery proving impossible as stipulated in §15, delivery will be postponed by the length of time required to overcome the obstruction, with the condition that either party is entitled to cancel the contract without penalties, should the obstacle take over 3 (three) months to resolve. This condition shall apply regardless if the delay takes place before or after the originally estimated time of delivery. Customer-specific orders cannot be cancelled.

§9. SCOPE OF DELIVERY

Delivery includes 1 (one) user's manual for standard devices included in the price of the item. As such, spare parts, assembly or operative support are not included in the price, unless specifically mentioned. Further material can be acquired at additional cost. For goods sold as installed, delivery includes whatever standard components are required for installation to take place. Prior to such a delivery, it is the responsibility of the buyer to ensure electrical wiring to the point of installation, according to relevant regulation. Building or building-code related tasks caused by placement or installation, or any repairs taking place after the installation has taken place does not concern seller.

§10. PACKING MATERIALS

Packaging is done at buyer's expense, unless specifically specified to be included in the price. Packaging materials are only accepted for return by specific agreement.

§11. PRODUCT INFORMATION

Sketches, specifications, descriptions, models or similar, provided by seller before or after the agreement has been entered into, remains the property of seller and are not to be passed on to any third-parties without express written consent or abused in any other way.

§12. EXPORT CONDITIONS

Redistributing products purchased from seller may not take place, should it violate export restrictions according to U.S. or EU law. For export, it may be required to secure permit from the Ministry of Industry or the United States government. Buyer must contact seller prior to any export taking place. Sales to other parties must occur with the same provisions as above.

§13. PATENTS

Seller guarantees that the supplied material is not in violation of any patents. Any violations of patents that may follow from buyer's use of the material, is of no concern or responsibility of seller.

§14. DUTY OF INSPECTION, DEFECTS AND COMPLAINTS

Immediately upon receipt, the buyer shall thoroughly inspect the delivery to ensure the goods are free from defects and have been delivered according to the agreement. If buyer wishes to claim a defect, they must inform seller in writing as to the nature thereof, immediately after the defect occurred or should have occurred. In the event that buyer discovered, or should have discovered the defect and does not inform seller as previously described, buyer will not be able to claim a defect later. Buyer cannot claim proportionate discounts or the cancellation of the purchase. Any defects on sold items will be repaired or the defective items replaced at seller's discretion. The warranty period is 12 months from delivery. If buyer has not made seller aware of the defect within 12 months of delivery, they forfeit the right to do so at any later point in time. For repaired or swapped components as per mentioned, seller will assume the same obligations as applied to the original sale, though with the condition that seller's responsibility for defects does not extend beyond 1 (one) year after the original delivery date. Changes to or interference with the sold items without express written consent from seller, shall absolve seller of any obligations. The buyer filing for defects does not entitle buyer to withhold payment either partially or completely.

§15. LIMITATION OF LIABILITY

The buyer will not be able to claim compensation in excess of the originally invoiced cost of an item or delivery. Seller shall under no circumstances be liable for operating losses, loss of profits, costs incurred or other indirect losses suffered by the buyer, resulting from delays or defects to the sold items. The following circumstances carry full freedom from liability to seller, should they prevent the agreement from being fulfilled: Worker's conflicts (lawful or unlawful) or any other circumstances the two parties are not able to control, such as: fire, war, military mobilizations or unforeseen demands of military service, requisitioning of equipment, confiscation of equipment, currency restrictions, insurrections or

riots/disturbances, lack of means of transport, shortages, fuel restrictions, or failings of delivery from sub-contractors due to any of the aforementioned circumstances. It is the responsibility of seller to inform buyer with all due haste should any of these conditions come into effect. In addition, the seller shall only be liable for errors in the seller's deliveries, if the buyer has used such deliveries correctly, in a responsible manner and in accordance with the seller's instructions, if any.

§16. PRODUCT LIABILITY

Seller's liability shall fall under the general provisions of EU law governing product liability, but in the mutual relationship between seller and buyer, the product liability shall be limited to 20,000 EUR (€). The seller's liability shall be limited to errors in the seller's own deliveries, but shall not include any errors that may occur when seller's deliveries are incorporated into or added into the buyer's or any third party's deliveries. Changes or alterations to the goods delivered without the express written consent from seller, as well as failure to comply with current rules and regulations shall exempt the seller from all liability. If a third party brings a claim for product liability against the seller, the buyer shall be under an obligation to indemnify the seller against any claim in excess of 20,000 EUR and to pay reasonable costs incurred by seller's defense against the claim. Under no circumstances shall seller be liable for any operating losses, loss of time, loss of profits or other indirect losses suffered by the buyer or the buyer's customers or other use of the seller's deliveries. The buyer is obligated to immediately notify seller of any claims for damages made by third parties involving seller's products.

§17. SOFTWARE

In regards to the sale of products which consists of software, either fully or partially, the buyer obtains a non-exclusive right to use the software. The buyer does not acquire any title to the software, their right to use the software cannot be transferred and the buyer shall not be entitled to make copies of the program for third parties.

§18. INTELLECTUAL PROPERTY RIGHTS AND CONFIDENTIALITY

All of the seller's intellectual property rights that may be associated with the delivery shall remain the sole property of the seller. All drawings, models as well as other technical documents related to the delivery and handed from seller to buyer before or after the conclusion of the agreement shall belong to the seller. Without the express consent of seller, the aforementioned materials may only be used in connection with the use or resale of the goods. The buyer may not communicate technical or commercial information, which are by their nature confidential or were described as confidential at the time of concluding the agreement or at any later time to any third parties without seller's express written consent.

§19. REPAIRS

Any repairs, conducted at either seller's facilities or with the buyer, including alterations to and moving of existing installations, are at the sole risk and cost of the buyer.

§20. RETURNS

Goods sold will only be accepted for return, by written agreement. Returned goods are normally credited at 80% of the invoiced price, to cover costs of inspections and preparation. In the event of buyer being entitled to cancel the agreement, or the sold goods are returned to seller with the intent of either replacement or correction of defects, the sold goods shall be returned to seller in their original packaging and at buyer's expense. If seller incurs shipping costs, seller shall be entitled to reimbursement from the buyer and to hold this against any monetary claims made against the seller. Following repairs or replacement, the buyer shall be obligated to collect the repaired or replaced goods at their expense.

§21. DISPUTES

Any dispute that cannot be amicably solved between the involved parties shall be settled according to EU law through arbitration or the Court of Law in Odense, Denmark.

FREUND ELEKTRONIK A/S, IN COOPERATION WITH ITS SISTER COMPANY FREUND ELEKTRONIKA SARAJEVO, IS DEVELOPING IP-BASED INTERCOM, AUDIO, ACCESS CONTROL AND SMART HOME SOLUTIONS.

WE HAVE MORE THAN 30 YEARS OF EXPERIENCE IN THIS TECHNOLOGY FIELD AS DEVELOPER, MANUFACTURER AND RESALER COMPANY.

IN THE INDUSTRY, WE NEGOTIATE THE MOST INNOVATIVE SOLUTIONS WITHIN BUILDING COMMUNICATION. WE HAVE DAILY FOCUS ON DEVELOPMENT AND USER-FRIENDLINESS AND OUR PRODUCTS HAVE TECHNICAL HIGH QUALITY AND PLEASANT DESIGN.

AS A DEVELOPER AND MANUFACTURER OF OUR OWN IP-INTEGRA SYSTEMS, WE ARE ON TOP OF THE MOST ADVANCED SYSTEMS FOR DOOR TELEPHONY, PUBLIC AUDIO AND ACCESS CONTROL SOLUTIONS.

OUR DEVELOPMENT DEPARTMENT HAS DEVELOPED, TOGETHER WITH OUR PARTNERS, ELEGANT AND ROBUST DOORPHONES, SIP-CENTRALS, TERMINALS, IP-SPEAKERS, ACCESS CONTROLLERS AND APPLICATIONS WITH INTELLIGENT FEATURES AND THE MOST ADVANCED TECHNOLOGY, BUT AT THE SAME TIME EASY FOR OUR CUSTOMERS TO USE.

FREUND GROUP IS ONE OF THE TOP PROVIDERS ON THE MARKET FOR IP-BASED BUILDING CONTROL AND COMMUNICATION AND RELATED SYSTEMS.