

# Baltic Service LLC Professional Services General Terms and Conditions

## **1 Scope and application.**

1.1 The terms and conditions detailed herein (the “GTC”) together with any Professional Services Agreement (“PSA”) and/or any Statement of Work (“SOW”) (collectively the “Agreement”), apply to your (“Customer”, “You,” or “Your”) purchase from Baltic Service LLC of services related to the design, implementation, verification, use and maintenance of an IP Communication System involving network video products or any other services purchased by You and provided by Different vendors as further detailed in a PSA and/or an SOW (“Professional Services”). Baltic Service and Customer may be referred to herein collectively as the “Parties” and each individually as a “Party”.

1.2 “Baltic Service” means the Baltic Service LLC affiliate identified on the quote, order PSA, SOW or invoice, or in the absence of an identified Baltic Service affiliate, Baltic Service LLC (corporate registration number 84-3507433).

1.3 In these GTC, the term “IP Surveillance System” means a system that encompasses several or all of the following: IP surveillance cameras; IP Video encoders; Access control systems; Voice over IP equipment; I/O modules; cabling and infrastructure; computer hardware and software; and video analytics.

1.4 Baltic Service is not bound by and hereby expressly rejects, and Customer expressly waives, any terms and conditions in Customer’s purchase order or other similar document.

1.5 These GTC shall apply to all SOWs and/or PSAs concluded between the Parties regarding Customer’s purchase of Professional Services or Hardware Equipment from Baltic Service. The Parties may amend or modify an executed SOW by a written agreement signed by both Parties.

1.6 In case of any inconsistency or conflict between, on the one side, the provisions of these GTC, and on the other side, any SOW and/or PSA, these GTC shall control and take precedence provided, however, that the terms of an SOW may supersede the terms of the these GTC, but only if specifically stated in the SOW and only for Professional Services provided pursuant to that SOW. Furthermore, these GTC shall take precedence over any conditions and terms provided and/or agreed upon between You and any third party entitled to collect the fees for the Professional Services in accordance with the applicable PSA and/or SOW.

1.7 The scope of this Agreement concerns Professional Services (as defined above) only, and this Agreement does not constitute a purchase agreement for products or other services between Baltic

Service and Customer. Customer acknowledges that any purchase of Any products – whether based on product recommendations provided as part of the Professional Services or not – must be made from an authorized distributor or reseller.

## **2 Customer obligations**

Customer acknowledges and agrees that any Professional Services offered by Baltic Service to Customer and the result thereof, will be highly dependent on information supplied by Customer and/or other parties to Baltic Service LLC. Therefore, and as a condition to Baltic Service' obligations under this Agreement, Customer must provide such cooperation and assistance as Baltic Service reasonably requests in connection with the Professional Services. Such cooperation and assistance will include, without limitation, (a) making Customer's personnel available to Baltic Service for consultation, (b) providing such access to Customer's (or Customer's customers) premises, (c) responding promptly to any Baltic Service request to provide direction, information, approvals, authorizations or decisions that are reasonably necessary for Baltic Service to perform Professional Services in accordance with the requirements of this Agreement, and ensure that any information provided is complete and accurate in all material respects and (d) obtaining and maintaining all necessary licenses and consents and comply with all applicable laws, regulations and other requirements of any governmental authority, to the extent that such licenses, consents and law relate to Customer's business, premises, personnel and equipment, in all cases before the date on which the Professional Services are to start and during the Term.

## **3 Delivery**

Any time of delivery stated by Baltic Service is best estimate of a calculated delivery date. If Baltic Service has reason to believe the delivery cannot be effectuated on the expected delivery date, then Baltic Service shall inform the Customer accordingly and advise when delivery is expected.

## **4 Acceptance**

4.1 Unless otherwise stated in the applicable SOW, if Customer reasonably believes that Baltic Service did not perform the Professional Services or the Baltic Service Deliverables (as defined below) in substantial conformance with the applicable SOW and/or PSA, Customer shall notify Baltic Service, in writing, within ten (10) business days following Baltic Service' completion of the Professional Services (the "Acceptance Period"). Customer's notice must specifically identify and explain each alleged non-conformance with the terms of the applicable SOW and/or PSA. Baltic Service will use reasonable efforts to correct Customer's issues.

4.2 If Baltic Service does not receive Customer's notice under Section 4.1 within the Acceptance Period, the Professional Services and the Baltic Service Deliverables (as defined below) will be deemed delivered and accepted by Customer, and Customer will have waived any right of rejection.

## **5 Fees, expenses and payment**

5.1 In consideration of the Professional Services provided, Customer shall pay the fees specified in the applicable PSA and/or SOW, and in accordance with the conditions and terms stated therein. If Baltic Service reasonably determines that Customer's financial condition materially deteriorates after the Effective Date, Baltic Service may suspend performance under this Agreement and any SOW and/or PSA until Customer provides reasonable security to Baltic Service; if such security is not provided to Baltic Service within fifteen (15) days of the request, Baltic Service may terminate this Agreement or any SOW and/or PSA entered into hereunder immediately upon written notice to Customer. Baltic Service' acceptance of any partial payment of an invoice will not waive its rights as to remaining balances, nor in any way constitute accord and satisfaction. Baltic Service is entitled to any reimbursable expenses associated with the collection of overdue amounts owed by Customer.

5.2 Customer will pay all applicable federal, state and local sales, use, value added, excise, duty and any other taxes of any nature assessed on the Professional Services or Baltic Service Deliverables (as defined below), except for taxes based on Baltic Service's revenue or income. In addition, in case the payment, in whole or in part, does not occur within the agreed term, Baltic Service reserves the right to suspend deliveries or services in relation to all contracts with the given Customer until the date on which the balance is fully paid.

## **6 Intellectual Property Rights, Licenses**

6.1 Unless otherwise specified in an SOW, any deliverables such as drawings, guidelines, technical specifications, reports, analyses, work products, software, designs, tools, tangible or intangible, supplied by Baltic Service as part of the Professional Services and any modifications, improvements or derivative works of the foregoing resulting from or used in providing Professional Services ("Baltic Service Deliverables") and any copyright and/or other rights related to trademarks, trade secrets, patents, patent applications or any other intellectual property or proprietary right, however arising ("Intellectual Property Rights") therein will remain the exclusive property of Baltic Service, regardless of whether Customer has contributed to the conception or participated in the development of Baltic Service Deliverables except as provided in Section 6.4 below.

6.2 Unless otherwise specified in the SOW, and upon full and final payment of all fees and expenses owing to Baltic Service under the applicable SOW and/or PSA, Customer is hereby granted a non-exclusive, non-transferrable, non-sub-licensable license, unlimited in time, to, as applicable, (a) use any Baltic Service Deliverables (or part thereof) for the sole purpose of designing, implementing, verifying, using and maintaining an IP Surveillance System in which Baltic Service' products are included and (b) allow its customers a right to use the Baltic Service Deliverables solely as required to make use of the IP Surveillance System in such customer's business. Except as provided in this Section 6.2, the Baltic Service Deliverables may not be reproduced, published or distributed without Baltic Service' prior written consent.

6.3 With respect to any materials, documentation and software that Customer provides to Baltic Service for the purpose of providing Professional Services ("Customer Provided Materials"), Customer

represents and warrants that Customer has the necessary rights to provide the Customer Provided Materials to Baltic Service, so that Baltic Service can access, use and modify Customer Provided Materials as necessary for Baltic Service' performance of the Professional Services.

6.4 The Customer will retain ownership of any and all Intellectual Property Rights in and to any Customer Provided Materials. Baltic Service is hereby granted a non-exclusive license to use such materials for the sole purpose of providing professional services.

## **7 Warranty**

7.1 Baltic Service will perform the Professional Services in a competent and professional manner. Employees or consultants of Baltic Service performing the Professional Services will have the proper skill, training and background to perform his or her assigned tasks. The Professional Services will be performed in accordance with the applicable PSA and/or SOW, in all material respects. Notwithstanding the foregoing, Customer acknowledges and understands that Baltic Service' performance of the Professional Services under this Agreement or an applicable SOW or PSA is subject to and conditioned upon the timely cooperation, willingness, responsiveness and skill level of Customer and its applicable employees and the fulfillment of the responsibilities of Customer set forth in this Agreement and any applicable SOW or PSA.

7.2 Customer must notify Baltic Service of any alleged breach of this warranty before the end of the Acceptance Period. Baltic Service' entire liability and Customer's sole remedy for Baltic Service' breach of this warranty will be for Baltic Service to, at its option, (i) use reasonable efforts to correct that breach, or (ii) terminate the applicable SOW and refund that portion of any fees received that corresponds to that breach.

7.3 The warranties in Section 7.1 do not apply to the extent that the Professional Services have been modified by persons other than Baltic Service' employees or persons authorized by Baltic Service.

7.4 EXCEPT AS PROVIDED IN THIS SECTION 7, AND UNLESS OTHERWISE SPECIFIED IN AN SOW, BALTIC SERVICE PROVIDES ALL PROFESSIONAL SERVICES AND BALTIC SERVICE DELIVERABLES "AS IS" WITHOUT WARRANTY OF ANY KIND (WHETHER EXPRESS OR IMPLIED), INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, RESULT, EFFORT, TITLE AND NON-INFRINGEMENT. THE ENTIRE RISK AS TO SATISFACTORY QUALITY, PERFORMANCE, ACCURACY AND RESULTS OBTAINED WITH RESPECT TO THE PROFESSIONAL SERVICES AND BALTIC SERVICE DELIVERABLES PROVIDED HEREUNDER LIES WITH CUSTOMER. THE PROFESSIONAL SERVICES ARE RENDERED BASED ON BALTIC SERVICE' KNOWLEDGE AND EXPERIENCE OF THE GENERAL NEEDS OF SURVEILLANCE WITHIN THE FIELDS OF CUSTOMER'S BUSINESS. CONSEQUENTLY, BALTIC SERVICE DOES NOT WARRANT THAT THE PROFESSIONAL SERVICES OR BALTIC SERVICE DELIVERABLES WILL FULFIL ANY OF CUSTOMER'S PARTICULAR PURPOSES OR NEEDS.

## **8 On site services**

For any Professional Services to be performed on Customer's site, Customer agrees to provide Baltic Service with or arrange reasonable access to applicable documents, tools, equipment, facilities and systems of Customer for Baltic Service to provide the Professional Services, provide a safe work environment for Baltic Service personnel, promptly inform Baltic Service of any safety hazards of which Customer becomes aware that may impact Baltic Service personnel, and notify Baltic Service of any onsite policies that may be applicable to Baltic Service while performing such Professional Services.

## **9 Limitation of Liability**

9.1 UNDER NO CIRCUMSTANCES WILL EITHER PARTY BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE WHATSOEVER, WHETHER BASED ON CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT, EVEN IF ADVISED ON THE POSSIBILITY OF SUCH DAMAGE OR IF SUCH DAMAGE COULD HAVE BEEN REASONABLY FORESEEN, AND NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY EXCLUSIVE REMEDY PROVIDED. SUCH LIMITATION OF DAMAGES INCLUDES, BUT IS NOT LIMITED TO, DAMAGES FOR LOSS OF GOODWILL, LOSS OF PROFIT, REVENUE OR PRODUCTION, INTEREST ON INVESTMENTS, COST OF CAPITAL, LOSS OF DATA OR SOFTWARE, COSTS OF PROCUREMENT OF SUBSTITUTE PRODUCTS, EQUIPMENT OR SERVICES, DOWNTIME COSTS, CLAIMS OF CUSTOMER, WORK STOPPAGE, COMPUTER FAILURE OR MALFUNCTION OR IMPAIRMENT OF OTHER GOODS. THE LIMITATIONS OF LIABILITY IN THIS SECTION 9.1 WILL NOT APPLY TO (A) CUSTOMER'S VIOLATION OF BALTIC SERVICE' OR ITS LICENSORS' INTELLECTUAL PROPERTY RIGHTS OR CUSTOMER'S USE OF THE BALTIC SERVICE DELIVERABLES IN A MANNER NOT EXPRESSLY AUTHORIZED BY THIS AGREEMENT; (B) EITHER PARTY'S BREACH OF CONFIDENTIALITY UNDER THIS AGREEMENT; (C) CUSTOMER'S PAYMENT OBLIGATIONS UNDER THE SOW AND/OR PSA; OR (D) ANY LIABILITY WHICH MAY NOT BE EXCLUDED BY APPLICABLE LAW.

9.2 IF, NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, BALTIC SERVICE IS FOUND TO BE LIABLE TO CUSTOMER FOR ANY DAMAGE OR LOSS THAT ARISES OUT OF OR IS RELATED TO A SPECIFIC PSA OR SOW, BALTIC SERVICE' ENTIRE LIABILITY UNDER THIS AGREEMENT SHALL BE LIMITED TO THE AMOUNT OF FEES PAID BY CUSTOMER FOR THE PROFESSIONAL SERVICES PROVIDED BY BALTIC SERVICE UNDER SAID PSA OR SOW.

## **10 Confidentiality**

10.1 Information of a confidential nature that is provided by one Party (the "Disclosing Party") to the other Party (the "Receiving Party") in connection with the performance or implementation of this Agreement and which, if in written form, is marked "confidential" or with a similar legend by the Disclosing Party before being furnished to the Receiving Party, or if disclosed orally or visually is identified as such prior to disclosure and followed in writing setting forth such oral or visual information to be treated as confidential and marked 'confidential' or with a similar legend and sent, by the Disclosing Party to the Receiving Party within thirty (30) days of such oral or visual disclosure, shall be deemed to be confidential information of the Disclosing Party hereunder ("Confidential Information").

Notwithstanding anything to the contrary herein, the existence of the Agreement and the terms and conditions hereof and the Baltic Service Deliverables shall be Confidential Information of Baltic Service, regardless of whether or not such information is marked or identified as "confidential".

10.2 The Receiving Party shall have the right to: (a) use Confidential Information only to extent allowed and for the purposes set forth in this Agreement; (b) copy Confidential Information only to the extent allowed and necessary for the purposes of this Agreement; and (c) disclose Confidential Information only to those of its employees or consultants who need to know said information and pursuant to the limitations set forth this Section 10.2(a)-(b).

10.3 The Receiving Party will take all reasonable measures to avoid disclosure, dissemination or unauthorized use of Disclosing Party's Confidential Information and shall exercise the same degree of care in safeguarding the Confidential Information of the Disclosing Party that it would exercise for its own information of the same type provided that no less than reasonable care be used.

10.4 The confidentiality obligation shall not apply to any material or information which: (a) is generally available or otherwise public; (b) the Receiving Party has received from a third party without any obligation of confidentiality; (c) was in the possession of the Receiving Party prior to receipt of the same from the Disclosing Party without any obligation of confidentiality related thereto; (d) the Receiving Party has developed independently without using material or information received from the Disclosing Party; or (e) the Receiving Party must disclose pursuant to a law, decree, or other order issued by the authorities or judicial order, but only after the Receiving Party has provided the Disclosing Party with written notice of such requirement (unless legally prohibited) so that appropriate protective orders or other legal remedies may be sought by the Disclosing Party.

10.5 Each Party shall, through confidentiality undertakings with its employees and consultants, or through other appropriate measures, ensure compliance with the above duty of confidentiality.

10.6 Each Party shall cease using Confidential Information received from the other Party promptly upon termination of this Agreement or when the Party no longer needs the material or information in question for the purpose stated in this Agreement and, unless the Parties separately agree on the destruction of such material, return the material in question (including all copies thereof). Each Party shall, however, be entitled to retain the copies required by law or regulations.

10.7 The Receiving Party acknowledges that disclosure or use of the Disclosing Party's Confidential Information in violation of this Section 10 could cause irreparable harm to Disclosing Party for which monetary damages may be difficult to ascertain or an inadequate remedy. The Disclosing Party will have the right, in addition to its other rights and remedies, to injunctive relief for any violation of this Section 10 by the Receiving Party without posting bond or by posting bond at the lowest amount required by law.

10.8 The rights and obligations under this Section 10 shall survive the termination or cancellation of this Agreement and shall remain in force for three (3) years after such termination or cancellation.

## **11 Subcontractors**

11.1 Unless otherwise specified in a PSA or an SOW, Baltic Service shall have the right to engage a subcontractor to fulfill its obligations under the Agreement, provided that Baltic Service shall have in place agreements with such subcontractors sufficient to enable Baltic Service to comply with its obligations under this Agreement and shall remain responsible for the Services provided by such subcontractors hereunder.

11.2 Notwithstanding anything to the contrary, Baltic Service shall at all times be entitled to engage a subcontractor for sending invoices and collecting payment, and any and all actions or undertaking related hereto, for Professional Services as stated in and in accordance with the PSA or SOW.

## **12 Term and termination**

12.1 These GTC shall remain in effect from the effective date specified in the PSA or SOW through the completion of the Professional Services contemplated in the PSA or SOW.

12.2 Each Party shall be entitled to terminate this Agreement with immediate effect if (a) the other Party is in material breach of any of its obligations hereunder and – where capable of remedy – fails to remedy the breach within thirty (30) days from written notice to do so; or (b) the other Party is placed in bankruptcy, enters into composition negotiations with its creditors, enters into liquidation, applies for or is subject to financial reorganization or otherwise is or may be assumed to be insolvent.

12.3 The terms and conditions contained in this Agreement that by their sense and context are intended to survive the performance hereof shall so survive the termination of this Agreement, including but not limited to Sections 6, 7.4, 9, 17 and 20

## **13 Independent contractors**

The Parties hereto are, and shall remain at all times during this Agreement, independent contractors. Neither Party (nor any agent, representative or employee of that Party) is the representative of the other Party for any purpose, and neither Party has the power or authority as agent, employee or in any other capacity to represent, act for, bind or otherwise create or assume any obligation on behalf of the other Party for any purpose whatsoever. Neither this Agreement nor the performance of the Professional Services shall, or be deemed to, create a partnership, joint venture, agency, fiduciary or employment relationship or any other legal relationship between the Parties. Baltic Service' personnel shall not be deemed employees or agents of Customer, and Baltic Service has and hereby retains the right to exercise full control of and supervision over the performance, employment, direction, compensation and discharge of any and all of Baltic Service' employees performing Professional Services hereunder.

## **14 Reliefs**

13.1 Each Party shall be excused from fulfillment of any obligations under an Agreement to the extent that and for so long as such fulfillment is prevented or delayed in whole or in part by strikes, lockouts, or other labor disturbances or by causes beyond its reasonable control, such as fire, flood, war, embargoes, blockades, riots, governmental interference, Acts of God and defects or delays in deliveries by subcontractors if caused by any circumstances referred to in this Section.

14.2 If by reason of any circumstances as above mentioned, the fulfillment of an Agreement becomes impossible for more than ninety (90) consecutive days then either Party shall be entitled to terminate the Agreement by written notice to the other Party.

## **15 Amendments**

No addition to or modification of any provision of this Agreement shall be binding upon the Parties unless made by a written instrument signed by a duly authorized representative of each of the Parties.

## **16 Entire agreement**

This Agreement, together with each fully-executed SOW and/or PSA and/or Baltic Service Standard Service Agreement, shall constitute the entire understanding and agreement between Customer and Baltic Service with respect to the Professional Services and the Baltic Service Deliverables and supersedes all prior or contemporaneous agreements, understandings, proposals and communications, oral or written, regarding such subject matter. Terms contained in any preprinted forms of Customer, or other documentation or electronic procurement system, including, without limitation, terms contained in any purchase order, invoice, written or electronic communication or correspondence, or click-wrap/click-through agreement, are null and void and without effect. Neither Party is relying on any representation, warranty, assurance or inducement not expressly set forth herein.

## **17 Publicity**

No press release or public announcement of any kind, nor issuing of any promotional material, relating to an order or this Agreement or its contents shall be made by either Party without the other Party's written approval. Not including publishing any photo or video materials taken during terms of this Agreement in social networks personal or business accounts.

## **18 Assignment**

This Agreement shall be binding upon and inure to the benefit of the successors and assignees of the Parties. Subject to Section 11 above, neither Party shall have the right to assign this Agreement or any of its rights or obligations hereunder to any third party without the prior written consent of the other Party, save that Baltic Service shall have a right to assign this Agreement or any of its rights or



obligations hereunder to any of its affiliates and/or companies within the Baltic Service group of companies without the prior written consent of the Customer.

## **19 Miscellaneous**

19.1 No consent or waiver, express or implied, by either Party of any breach or default of the other Party in performing its obligations under this Agreement shall be deemed or construed to be a consent or waiver of any other breach or default by the other Party of the same or any other obligation hereunder. Any failure by one Party to complain of any act or failure to act of the other Party or to declare that other Party in default shall not constitute a waiver by the first Party of its rights under this Agreement. No waiver of any rights under this Agreement shall be effective unless in writing and signed by the Party purporting to give the same.

19.2 If any of the terms and provisions of this Agreement is determined to be void, voidable, illegal, invalid or unenforceable by any court of competent jurisdiction, the Parties shall amend that provision in such reasonable manner as achieves the intention of the Parties without illegality or, at the discretion of the Parties, such provision may be severed from this Agreement and the remaining provisions shall remain in full force and effect as if such terms and provisions had not been a part of this Agreement.

19.3 All notices and statements shall be in writing and shall be delivered by email to the intended Party at the address and to the contact person set forth in the SOW (unless notification of a change of address and contact person is given in writing). Notice shall be deemed delivered on the date that the email is received. However, if the time of deemed receipt of any notice is not before 5.30 p.m. Customer's local time on a business day, then the notice is deemed to have been received at the commencement of business on the next business day.

19.4 The article, section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

19.5 The provisions of this Agreement are for the sole benefit of the Parties and their respective permitted successors and assigns and nothing in this Agreement, express or implied, confers on any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

## **20 Governing Law and Arbitration**

20.1 If the Professional Services are purchased from Baltic Service LLC, the following shall apply: this Agreement shall be deemed performed in and shall be construed and governed by the laws of United States, excluding its choice of law provisions. Any dispute, controversy or claim arising out of or in connection with this Agreement, or the breach, termination or invalidity thereof, shall be finally settled by arbitration administered in State of Florida. The Rules for Expedited Arbitrations shall apply, unless the Florida state Arbitration in its discretion determines, taking into account the complexity of the case, the amount in dispute and other circumstances, that the Arbitration Rules shall apply. The language to be used in the arbitral proceedings shall be English.

20.2 If the Professional Services are purchased from Baltic Service LLC, the following shall apply: this Agreement shall instead be governed by the substantive law of the Commonwealth State of Florida, USA. Any dispute, controversy or claim arising out of or in connection with this Agreement, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Rules of Arbitration. The arbitral tribunal shall be composed of three arbitrators. The seat and place of arbitration shall be Miami Dade, Florida. The language to be used in the arbitral proceedings shall be English.

20.3 The parties undertake and agree that all arbitral proceedings conducted with reference to this arbitration clause will be kept strictly confidential. This confidentiality undertaking shall cover, inter alia, all information disclosed in the course of such arbitral proceedings, as well as any decision or award that is made or declared during the proceedings. Information covered by this confidentiality undertaking may not, in any form, be disclosed to a third party without the written consent of the other parties. Notwithstanding the above, a party shall not be prevented from disclosing such information in order to safeguard in the best possible way his rights vis-à-vis the other parties in connection with the dispute, or if obligated to do so pursuant to statute, regulation, a decision by an authority, a stock exchange agreement or similar.