

All sales of goods (hardware and/or software) to be delivered and services to be rendered by INIT are performed exclusively according to the following terms and conditions unless otherwise agreed in a signed writing by both parties.

If there are any inconsistencies between INIT's proposal and these terms and conditions, the proposal takes precedence.

No contrary terms in any customer letter, purchase order or accompanying payment shall have any effect.

I. Terms of Payment

INIT's proposal is based upon the following terms of payment:
35% upon notice to proceed/receipt of order
65% upon delivery or partial delivery

Partial deliveries are permissible and require corresponding partial acceptances and partial payments by customer. Payment is due within thirty (30) days after an invoice is issued, payable without discount or set-off. All prices are net without tax.

In any dispute involving monies due to INIT, INIT shall be entitled to all costs of collection, including reasonable attorney's fees and interest at 1% per month, or the highest rate allowed by law if it is less than the stated rate.

II. Delivery Period

Any delivery deadlines begin once the parties have agreed upon all the technical requirements and specifications in writing. The parties agree that delivery period will be reasonably extended in the following circumstances:

- if INIT has not timely received from customer the information and specifications required for performance of INIT's obligations, or customer requests modifications that cause the provision of services to be delayed.
- to the extent and during any event (a "Force Majeure Event") which is beyond the control of INIT and reasonably prevents INIT from fulfilling its obligations hereunder, including without limitation, fire, explosion, storm damage, flood, epidemic, earthquake, utility or network outages, labor troubles including but not limited to strikes, lockouts or slowdowns, government intervention, shortages of raw materials, labor or transportation, war, sabotage, riot or civil disturbances, or governmental regulation or statute; or
- if customer defaults in the performance of any of its obligations hereunder, including payment defaults.

The customer is not entitled to claim damages or cancel its order upon delay in delivery where the delivery has been reasonably extended due to the foregoing reasons. Thus, INIT shall not be held liable for delay or failure in performance due to the occurrence of such a contingency, including, without limitation, failure to deliver because of a Force Majeure Event.

III. Acceptances

Services or part of services shall be deemed accepted upon performance unless customer contests acceptance specifying its reasons therefor in writing to INIT immediately after services have been provided. Goods will be deemed accepted upon delivery unless otherwise agreed in writing.

If the parties have made acceptance contingent on specific testing, minor deficiencies will not affect acceptance. Minor deficiencies, discrepancies or a lack of cooperation by the customer (i.e., missing or delayed provision of required material, information, data, etc.) do not justify refusal of acceptance.

IV. Risk of Loss

Risk of loss pass to customer upon dispatch of the goods "ex works" from an INIT facility (or, at INIT's sole option, from its sub-contractor's facility), it being understood that INIT's only responsibility is to make the goods available at the applicable facility, and customer shall have all other responsibilities, including without limitation, loading the

goods. To the extent of any delay because of a Force Majeure Event, any goods and necessary equipment will be stored and insured at the risk and at the expense of customer.

V. Prices

Payment will be made in United States dollars without any deductions whatsoever. The customer shall be liable for all freight, insurance, taxes, dues, fees, and customs duties unless otherwise stated in the proposal.

INIT reserves the right to adjust prices in the event of any changes in law, tariffs, wage rates or costs of raw materials (to the extent applicable) taking place after quotations and prior to performance of orders. Prices are subject to change, and INIT reserves the right to make any corrections to price quoted due to errors or omission, or unforeseen circumstances.

Unit prices are only valid for the offered total quantities.

VI. Hardware Installation

Cost of installation is not included unless otherwise stated in the proposal.

However, when the cost for installation is included in the proposal, there may be conditions relating to installation which cannot be clarified without an inspection. Costs for changed conditions shall be verified, substantiated, and charged at an additional cost, and in an additional invoice.

Clarifications – exclusions/customer's responsibility:

- Customer is responsible for part and material logistics; including receiving/storing of shipped materials, handout to the install crews, and handling repair returns.
- No civil works included, e.g., the necessity to install wayside signs, poles, control cabinets, etc.
- Customer is obligated to obtain required permissions etc. Customer shall also provide safety posts when required.
- Customer to provide basic infrastructure (space, power, and access) at each installation facility.
- Access to installation locations / vehicles must be granted during the full duration of the installation work. Any potential wait times will be charged separately.
- Authorized customer staff will be available for moving vehicles, for any kind of clarifications, and for inspection/acceptance of the installation.

VII. Software Installation

During system and software delivery, INIT may be required to access, install, and support software on customer systems. As a prerequisite to this installation or support, customer shall make the target systems available for remote access through INIT's secure remote access tools. Any connection costs, efforts, licenses, or delays caused by the use of an alternative remote connection solution shall be borne by the customer and is not included in the quoted price. In case connectivity or systems are not available as scheduled, additional costs incurred will be the responsibility of the customer.

VIII. Customer Cooperation

The customer is responsible for supplying qualified personnel for project supervision and to provide timely access to personnel, facilities, and equipment as needed.

IX. Working Hours/Hourly Wages

for additional services/Travel Expenses

Work to be performed between 7:00 p.m. and 7:00 a.m. shall be charged at 150% of the applicable rate. Work on Saturdays, Sundays and Public Holidays shall be charged at 200% of the applicable rate as stated herein.

Customer shall pay any necessary travel expenses unless otherwise stated in the proposal. Travel expenses consist of travel costs, accommodation costs, daily expenses and any other such costs that



may arise hereunder. Travel time is valid as working time and shall be charged according to the valid hourly wage at the time period in question. The calculation of additional services is at present:

- Program Manager 350.00 USD Per hour
- Senior Architect 330.00 USD Per hour
- Senior Project Manager / Senior Engineer 275.00 USD Per hour
- Project manager / Engineer 240.00 USD Per hour
- Trainer 195.00 USD Per hour

- Service technician / Repair/Production 170.00 USD Per hour

X. Terms of Delivery

The rules regarding delivery found in §§ 8.1A-101 (et. seq.) (the Virginia Uniform Commercial Code) are hereby incorporated herein and are applicable to the extent they are not inconsistent with the terms and conditions set forth herein. Deliveries are made “ex works” from INIT’s facility (or, at INIT’s sole option, from its subcontractor’s facility). Re-usable package material can be returned to INIT.

XI. Shipping

The customer shall notify the carrier making delivery of any complaint arising out of shipment immediately upon receipt of the goods or any shipping documents.

XII. Limited Warranty

All services, software and hardware sold or delivered to customer are expressly subject to the terms and conditions of INIT’s limited one (1) year warranty set forth herein. No contrary terms in any customer letter, purchase order or accompanying payment shall have any effect.

THE WARRANTIES SET FORTH HEREIN ARE MADE IN LIEU OF ALL OTHER WARRANTIES NOW OR HEREINAFTER MADE OR IMPLIED. INIT DISCLAIMS ALL OTHER WARRANTIES, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF PERFORMANCE, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT AND UNDER NO THEORY WHATSOEVER SHALL INIT BE LIABLE FOR ANY HARM OR DAMAGE, WHETHER INDIRECT, CONSEQUENTIAL OR SPECIAL, SUFFERED BY CUSTOMER. CUSTOMER’S SOLE REMEDY SHALL BE REPAIR OR REPLACEMENT OF THE DEFECTIVE PRODUCT OR PART, AT INIT’S OPTION.

Any claim made under this warranty must be submitted in writing, and customer will promptly and diligently execute all refit, recall and other similar programs instituted by INIT with respect to the goods and services sold hereunder. Any goods claimed to be defective shall, at INIT’s option, be returned to INIT or held by customer for inspection. The customer’s right to repair or replacement is subject to the express condition that such parts were correctly installed and properly maintained in accordance with any documentation accompanying the goods/services.

The limited warranty period is one (1) year after delivery of goods, or performance of services (or part services). INIT will provide commercially reasonable efforts in elimination of possible faults during the warranty period if:

- The fault is reproducible or can be understood and re-enacted.
- The customer has made available to INIT connectivity enabling INIT to remotely and securely access systems making it possible for INIT to carry out remote diagnosis during operation, free of charge.

No warranty applies for third-party software/and or hardware delivered by INIT except the warranty conditions of such third party.

XIII. Confidential Information and IP Rights

INIT may communicate to customer certain proprietary and confidential information. Customer will hold and will cause its employees, representatives, consultants, and advisors who need to know the confidential information to hold such information in strict confidence and will not release or disclose such information to any

other person. Proprietary information shall include all documents marked as confidential by INIT and/or any documents containing trade secrets belonging to INIT, including without limitation, pictures, diagrams, capacities, dimensions, and drawings.

INIT’s technical know-how is embodied in such proprietary information, which remains INIT’s exclusive intellectual property and shall not be copied or reproduced or communicated to third parties. The proprietary information shall be returned to INIT immediately at any time upon INIT’s request.

XIV. Integration of Systems and Equipment

If customer places an order for the integration of systems and equipment that have not been supplied exclusively by INIT, prices will be based on the information available before the order was placed, i.e.,:

- general information available on these systems and equipment;
- information made available by customer; and
- an inspection of the equipment if applicable.

If this basis of information changes during the project additional expenditure may arise. INIT shall be entitled to charge for such additional services rendered.

If there is no information available on the third-party systems at the beginning of a project or if this information is incomplete, the quotation submitted by INIT shall be subject to change upon receipt of the information and of the facilities necessary to integrate this third-party system being supplied to INIT, free of charge, comprehensively and on time. INIT will not bear any costs involved in procuring this information. If information is incomplete or not available on time, INIT will not bear the responsibility for any ensuing delays in meeting schedules or pay any extra costs incurred.

If INIT is not appointed as the main contractor or system supplier, INIT can only accept technical responsibility for the creation and proper functioning of the components supplied by INIT for the interfaces to the third-party systems. Technical responsibility comprises the technical specifications and the test on the interfaces based on the information and facilities made available. It does not include responsibility for third-party systems’ interfaces functioning on schedule and correctly.

XV. Limitation of Liability

NEITHER INIT NOR ITS AFFILIATES, EMPLOYEES SUBCONTRACTORS, OR AGENTS (FOR PURPOSES ONLY OF THIS SECTION “INIT”) SHALL BE LIABLE TO CUSTOMER, OR ITS AFFILIATES, EMPLOYEES OR AGENTS FOR ANY LOSSES OR CLAIMS ARISING OUT OF OR CONNECTED WITH ANY ACT OR OMISSION OF INIT UNLESS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF INIT. NOTWITHSTANDING ANYTHING HEREIN, UNDER NO CIRCUMSTANCES SHALL INIT, ITS AFFILIATES, EMPLOYEES, SUBCONTRACTORS, OR AGENTS BE LIABLE TO CUSTOMER FOR CONSEQUENTIAL, PUNITIVE OR INCIDENTAL DAMAGES, INCLUDING WITHOUT LIMITATION, PRODUCTION FAILURE, LOSS OF UTILIZATION, LOSS OF ORDERS, LOSS OF PROFIT, AND ALL OTHER SUCH INDIRECT DAMAGES. ALL CLAIMS BY CUSTOMER, OTHER THAN AS SET FORTH HEREIN ARE EXCLUDED. ANYTHING IN THESE TERMS AND CONDITIONS TO THE CONTRARY NOTWITHSTANDING, ANY LIABILITY OF INIT FOR ANY LOSS, DAMAGES, COSTS AND/OR EXPENSES OF WHATSOEVER NATURE ARISING OUT OF OR RELATED TO THESE TERMS AND CONDITIONS SHALL BE LIMITED TO THE TOTAL PRICE SET FORTH IN THE RELEVANT PROPOSAL OR INVOICE, OR IF NO SUCH AMOUNT EXISTS, THEN THE AMOUNT CUSTOMER HAS PAID INIT IN THE PAST SIX MONTHS BEFORE THE DATE IN WHICH THE CLAIM ARISES.

XVI. IP Rights and Use of Software

All intellectual property rights, and commercialization rights of the software and other intellectual property are to remain with INIT. Upon payment, customer purchases user rights for the delivered software as per our End User Software License Agreement (“EULA”). The right

of use allows the use of the software only by customer and any license provided under the EULA is a limited, project specific, non-exclusive, non-transferable license. The customer does not have the right to allow others to use the software. The customer purchases a number of workplace licenses and has the right to install the software on the same number of computers. Backup-copies of the software may be made only for customer's own use to secure data. Statements concerning protection rights remain on the copies. Specific manufacturer's terms of licenses apply for third party hardware and software.

XVII. Applicable Law and Jury Waiver

In the event of a conflict between customer and INIT regarding the purchase of goods and/or services hereunder, customer and INIT agree that (a) any actions or claims brought shall be governed by the laws of the **Commonwealth of Virginia**, without regard to its choice of law rules, and (b) such action or claim shall be brought exclusively in **the Commonwealth of Virginia before the courts in the City of Chesapeake or the United States District Court for the Eastern District of Virginia, Norfolk Division**. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to the Terms and Conditions or their related transactions.

XVIII. Compliance with Laws; Ethical Guidelines

INIT bears no responsibility or liability for the goods and services' compliance with any laws, statutes, ordinances or regulations that may be applicable to customer or customer's use of the services. The customer is responsible for ensuring that the services and their use comply with any and all applicable laws and regulations in the country or state concerned.

Both parties agree to comply with all applicable national and international import and export control laws and regulations. INIT has established Ethical Guidelines, available on its website at (www.initse.com), which describe its standards for ethical and responsible conduct. Customer is expected to operate its business in a manner consistent with these standards and to promote such standards throughout its supply chain. INIT reserves the right, in its discretion, to suspend or terminate any applicable order under these terms upon notice if it determines that customers' business practices are materially inconsistent with such standards.

XIX. Validity and Severability

The terms and conditions set forth herein shall be applicable to every purchase of INIT's goods and services whether under INIT's or customer's purchase orders, or otherwise, unless the parties have a written agreement signed by both parties separately covering the transaction. In the event of any term or condition herein being or becoming invalid or non-effective, the validity and effectiveness of the remainder of these terms and conditions will remain completely intact. Any conditions contrary to the terms and conditions set forth herein imposed by customer shall be valid only if expressly acknowledged in writing by INIT.

XX. Conclusion of Contract

All proposals are subject to confirmation. The contract will be valid only by INIT's written order confirmation or by performance of the work if no other agreement is made.

Verbal information and statements, literature and advertisements, especially descriptions, drawings, pictures, samples, details on quality, nature, consistency, services, consumption and usability as well as measures and weights of the goods are for informational purposes only, unless they are expressly identified as binding. Such representations imply no warranty or guarantee.

XXI. Modifications

INIT reserves the right to make modifications to the proposed scope of work based on technical clarification as mutually agreed upon between the parties.