

General purchasing conditions citizenM

These General Purchasing Conditions contain the terms and conditions that govern all our purchases and should be as simple and straightforward as our service offering. Do challenge us if you feel that we haven't done a good job on this. In these conditions "citizenM", "we" or "us" means citizenM Holding B.V., a limited liability company under the laws of the Netherlands, and its subsidiaries, as applicable based on the place of business of our purchasing entity, "you" means the vendor that has issued us with an offer or has entered into an agreement with us for the procurement of products and/or services.

GENERAL PART

1. GENERAL PROVISIONS AND APPLICABILITY

- 1.1 These General Purchasing Conditions (these "conditions") apply each time we purchase products or services from you or have requested you to provide us with an offer for such purchase.
- 1.2 Our motto is to provide our guests with luxury at an affordable price. We can only do so in close collaboration with you. To enable us to fulfil our motto we need you to at least: (i) meet our specifications, (ii) be on time with your delivery, (iii) package and deliver products in the manner that we request from you, and (iv) in case of a breakdown, service or repair products in a manner which costs us the least amount of money, unless the products are covered by warranty in which case the service or repair will be free of charge. To the extent any of the terms and conditions below need explaining you agree that such explanation always presumes this need.
- 1.3 Any deviation from these conditions needs to be agreed to in writing in order to be valid.
- 1.4 Each agreement between you and us for the purchase of products and/or services from you, shall be subject solely to these conditions and the other documents stated in article 2.3, unless we have agreed with you otherwise. Your standard general terms and conditions shall therefore not apply to our purchase of products or services from you. As far as required your standard general terms and conditions are hereby refuted explicitly.

2. ORDERING PROCEDURE, PURCHASE ORDERS, THE AGREEMENT

- 2.1 If we decide to order the products or services from you, we shall issue you with a purchase order. There is no agreement without a written or electronic purchase order, so make sure you have us issue you with one. If it has an apparent error or an omission, do inform us about it. If you don't the negative consequences of the error are solely for your account. Therefore, read each of our purchase orders and check them thoroughly before you start performing your obligations.
- 2.2 Please sign and return the purchase order within ten (10) days of its issue to indicate your acceptance of the purchase order. You shall be deemed to have accepted

our purchase order within ten (10) days after it has been issued by us, alternatively if this date is earlier, on the date that you have started performing the agreed obligations. The result of your acceptance shall be that a binding agreement (the "agreement") has been executed between us and you.

- 2.3 Each agreement is composed of your offer (if any), these conditions and the purchase order. In case of a conflict, our documents take precedence over yours.
- 2.4 We are entitled to modify, reschedule or cancel, in whole or in part, a concluded agreement, by notifying you ultimately fourteen (14) days prior to the agreed delivery date for products or, for services, the start date for the delivery of the services. In such case, we shall pay for any direct, reasonable and demonstrable costs (excluding any loss of business, revenue, profit, goodwill, savings and turnover) that are incurred by you because of such modification, rescheduling or cancellation. In case of modifying or rescheduling of a concluded agreement, you agree to do your best to accommodate such a request.
- 2.5 You shall deliver to us the products and/or services in the quantity and in accordance with the description provided in the agreement and specified on the purchase order, in exchange for our payment of the agreed purchase price as listed on the purchase order.

3. TIMETABLE

- 3.1 Timeliness is imperative for a cost-efficient day to day operation of our hotels. Therefore, when we order products and/or services from you, we will provide you with a timetable. This timetable identifies our required delivery dates for the products and/or the dates on which we need you to complete the delivery of the services. We expect that you meet these dates. If you fail to do so you will immediately be in default. We are not going to send you a notice of default nor are we required to do so.
- 3.2 If the timetable applies to the delivery of services, we may change the timetable during the delivery of the services provided we shall pay for any direct, reasonable and demonstrable costs (excluding any loss of business, revenue, profit, goodwill, savings and turnover) that are incurred by you because of such change.
- 3.3 For each calendar day exceeding the date specified in the timetable you owe us a late charge. We can collect this late charge immediately from you without judicial intervention or prior notification of default being required. The late charge per day shall be equal to 0.5% of the total value of the purchase order, with a maximum of ten (10%) of the purchase order amount. The late charge does not imply or otherwise prohibit us from claiming actual damages from you in relation to your default.

4. PRICE

- 4.1 In exchange for the delivered products and/or services we shall pay you the purchase price that is displayed on the purchase order. This price is fixed and binding for the duration of the agreement. If you require a different price you will need us to agree to issue you with a new purchase order.
- 4.2 The purchase price shall be presumed to include all:
- (a) import duties, customs and excise duties, levies and taxes;
 - (b) license and royalty fees for the use of intellectual property rights and industrial property rights;
 - (c) the costs related to packaging, transport, storage, insurance and delivery of products; and
 - (d) any other costs not included in the line-up above, which we are required to pay prior to being enabled to take delivery of and/or make use of the purchased products or services.

5. INVOICING AND PAYMENT

- 5.1 Without an invoice we are not required to pay you. So make sure you send us one. Your invoice will need to include the following minimum information:
- (a) a number and a date;
 - (b) our purchase order number;
 - (c) an adequate description of what we purchased from you. The description needs to identify the volume and the nature of the products and/or services that we purchased;
 - (d) the information by which we can identify you: your company name, address, contact person, commercial/company registry registration number;
 - (e) the hotel or other citizenM delivery address to which the products were delivered, at which the services were performed or in relation to which the products and/or services were provided;
 - (f) the date on which the purchased products were delivered and/or the services have been performed; and
 - (g) your bank account number;
- and any other information that current and future laws or regulations require you to put on an invoice. If you have failed to include the information described in this article 5 we can use that as a valid reason for late payment. Such late payment will not mean that we have defaulted on our payment obligations.
- 5.2 You can only invoice us after the date of the delivery of your products or the performance of your services. Unless you have failed to adequately perform your obligations pursuant to the agreement, we will pay your invoice within forty-five (45) days after having received it. All payments shall be in US Dollars unless you specifically agreed otherwise with us.
- 5.3 If we pay you too late, you can't immediately charge interest and out of court collection costs. You will first need to send us a notice of default by which you provide us a further fourteen (14) days to pay the

outstanding invoice. In the unfortunate case that we then still fail to pay you, you can charge us an interest rate that is equal to 50% of the legal maximum rate of interest of the applicable jurisdiction. If permitted under the law of the applicable jurisdiction, you can then also charge out of court collection fees provided you have actually made the costs that these fees are supposed to cover and they are not recoverable otherwise for you.

- 5.4 We may set off any due amounts with amounts that we can claim from you or from one of your affiliates.
- 5.5 Payment by us does not imply a waiver of any of our rights and cannot be regarded as constituting an acknowledgement or acceptance by us of the conformity of the delivered products and services with the order and does not release you from any liability in that regard.
- 5.6 To keep our accountant happy we require that you submit any invoice to us within six (6) months after the delivery of the products or the performance of the services. Your right to payment of such invoices will lapse if your invoice is received by us outside of this term.
- 5.7 You may only suspend the performance of your obligations in the situation whereby you have sent us a notice of default for an overdue invoice by which you gave us another fourteen (14) days to pay it and we haven't remedied this default. This of course presumes that we did not have a valid legal reason for not paying or withholding payment of this invoice.

6. BREACH

- 6.1 When you really make a mess of the performance of your obligations (in legalese: "*a material default*"), we can terminate the agreement unilaterally in whole or in part, by means of a written notification to you. To avoid any misunderstanding, you and we agree that you have committed a material breach if:
- (a) we are unable to use rooms and other guest facilities in our hotels because of your default;
 - (b) our commercial reputation has been harmed by your default;
 - (c) you have breached your warranty obligations pursuant to article 20 and have not been able to timely remedy the breach;
 - (d) you have missed agreed service levels;
 - (e) you, your directors, officers or employees have offered, promised, given, authorized, solicited or accepted any undue pecuniary or other advantage of any kind (or implied that they will or might do any such thing at any time in the future) in any way connected with the agreement and/or you have failed to prevent subcontractors, agents or any other third parties connected with the agreement from doing so;
 - (f) you, your directors, officers or employees have acted in violation of the Responsible Procurement Principles as described in article 15.3;

- (g) you have not completed a CSR survey as described in article 15.4 or you have not discussed in good faith or have not implemented all possible related improvements you could make to your services and operations;
 - (h) you, your directors, officers or employees have acted in violation of any applicable anti-bribery, anti-corruption, or anti-kickback law, including the Foreign Corrupt Practices Act ("FCPA");
 - (i) you, your directors, officers or employees have not acted in compliance with all economic and trade sanctions imposed by a governmental organisation of the United States, the European Union and its Member States, Hong Kong, the United Nations and/or any other sanctions that are applicable to you or you, your directors, officers or employees are involved in any activity that could expose us to a breach of such sanctions;
 - (j) you are, or are owned fifty per cent (50%) or greater in the aggregate or controlled by, or your directors, officers or employees are a person, organisation or entity designated on the OFAC list of "Specially Designated Nationals and Blocked Persons", or any other list of targeted persons issued under any sanctions referred to in article 6.1(i); or
 - (k) other circumstances exist which reasonably justify that we terminate the agreement as a result of your default.
- 6.2 If article 6.1 applies, we may also perform or have a third party perform part of your obligations if and when this is appropriate. If we elect to do so you will pay for all associated costs. For example, our service organisation may repair products that you have failed to repair.

7. TERMINATION OF THE AGREEMENT

- 7.1 Without prejudice to any other provisions governing termination (premature or otherwise), we may dissolve the agreement extra-judicially, effective immediately, without any other notice of default being required and at no cost to us, in the following cases:
- (a) if, as evidenced by a court measure to that effect, you may be reasonably be considered to be broke (in legalese: insolvent), likely to become insolvent in the near future or someone has attached a significant part of your assets which renders you incapable to perform your obligations pursuant to the agreement;
 - (b) if you get a new owner or if the control over your company is transferred to another person or legal entity;
 - (c) if you have been in a situation of force majeure for a consecutive period of thirty (30) days; or
 - (d) if a custom product or service was not accepted by us.

8. INTELLECTUAL PROPERTY RIGHTS, USE RIGHTS

- 8.1 You guarantee to us that any products, services or deliverables that you have delivered or provided to us do not infringe any patent, copyright, design right, trademark right or other absolute right of any third party. If such a claim is issued to us, you will defend us against it as soon as we have informed you of its existence. If it costs us money, you shall fully reimburse us for that money.
- 8.2 Any drawings, specifications (and other materials that we present to you are our intellectual property and shall continue to be so. We expect that you mark them as such immediately upon your receipt. When we terminate the agreement, you will need to return them to us free of charge.
- 8.3 We presume that every product, service and deliverable is transferred to us unencumbered in ownership. If we do need a license right you will, upon delivery of the product, service or deliverable, be deemed to have granted to us a worldwide, irrevocable, non-exclusive, royalty free right, which may be sub-licensed by us, to use the product, service, deliverable or the relevant part thereof, on a day-to-day basis in our hotels and in other citizenM locations worldwide. This includes the right to make the products, and, where relevant, the services and deliverables available for use by our hotel guests. We generally don't require that you assign any of the intellectual property rights in the products, services or deliverables to us. This is different when we ask you to develop a new or improved design element, product, service or other deliverable for us or when we develop a new or improved product, service or deliverable together. If that is the case, you are deemed to have transferred all intellectual property rights associated with such design element, product, service or deliverable to us and, if asked by us, you will execute a deed of assignment. You shall not make public, inform, share or in any other manner make any of such intellectual property available to a third party without our agreement.
- 8.4 If as a result of a third party claim we are effectively barred from using the products, services or deliverables, you will procure from the claimant at your expense a worldwide, irrevocable, non-exclusive, royalty free, sub-licensable license right for our benefit which enables us to continue to use the products, services or deliverables.

9. CONFIDENTIALITY

- 9.1 Our confidentiality requirements are quite straightforward:
- (a) keep the nature of our relationship confidential. This means that you shall keep any interaction with us confidential, even if it is just that you went for a coffee with one of the local staff members. We don't want the citizenM magic to be disturbed. Think about Disney World, no one wants to know it is

actually John a scrawny 18-year-old who is in the Goofy suit;

- (b) If we provide materials to you, you can only use those materials for the benefit of performing your obligations. When we request you to do so you shall return all of these materials to us free of charge. If you use a sub-contractor, make sure he behaves in accordance with these confidentiality rules. If he does not you shall bear all associated risk.

10. WAIVER OF RIGHTS

- 10.1 If by any chance you fail to perform in accordance with the agreement, or are delayed in doing so, you are not off the hook. No waiver of any provision of your agreement shall be effective unless we waive the provision in writing. Our failure to require the performance of any term or obligation of the agreement, or the waiver by us of any breach of the agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

11. TRANSFER; THIRD PARTIES

- 11.1 We selected you as our supplier. That means that we require that you perform the obligations and not someone else. You are also not supposed to transfer the agreement and its rights and obligations to a third party or pledge it. If you would like to have it differently you will need to get our prior written approval.
- 11.2 If we do give you a written permission to use sub-contractors, you will be liable for their non-performance as if it was your own. You shall also procure that sub-contractors will adhere to all requirements and conditions in these conditions.

12. LIABILITY

- 12.1 Save as provided for in these conditions we will not be obliged to pay for any damages of any kind whatsoever, either direct or indirect, including loss of business, revenue, profit, goodwill, savings and turnover or damage to moveable or immovable property or to persons, irrespective of whether these damages have been suffered by you or by someone else. This does not preclude our liability for damages that are the direct result of the gross negligence or wilful misconduct of our senior management.
- 12.2 You shall be liable and shall indemnify and hold citizenM harmless from and against any and all claims, actions, liabilities, costs or damages, including reasonable attorneys' fees and other expenses, that are brought or threatened by third-parties against citizenM arising out of or in connection with your (i) negligence, recklessness or willful misconduct, (ii) breach of any duty, representation, warranty or covenant, (iii) violation of non-contractual obligations towards citizenM or third parties or (iv) violation of applicable laws and regulations.

- 12.3 For the purposes of this article 12 third parties include our personnel, third parties that we have directly or indirectly engaged, and personnel of such third parties.

13. INSURANCE

- 13.1 You shall be insured at your own costs to extent that this is needed to adequately cover your liability towards us, our hotel guests and other third parties. This includes professional liability, product liability and third-party liability and strict statutory liability. When we request you to do so you shall present us with all of the applicable insurance certificates.
- 13.2 We shall be entitled to demand that the insurance policy or policies list us as co-insured, principal and as beneficiary and that the insurers simultaneously waive their right of recourse, and that the insurers have the right to directly indemnify us and/or third parties that we designate. At our request, you shall demonstrate that you are not behind with your insurance premiums.

14. FORCE MAJEURE

- 14.1 It can always happen that you are not performing your obligations pursuant to the agreement for reasons not attributable to you (in legalese: a force majeure situation). If this happens you will notify us in writing immediately about the situation and the circumstances that gave rise to it. Events that are not deemed to constitute force majeure are strikes and labour disputes; illness of employees; liquidity and solvency problems; interruption of operations or energy supply; inadequate production capacity; computer or telecommunication failure; import or export bans; defects of equipment and/or materials used by you; actions and omissions from third parties engaged by you (including sub-contractors); changes in applicable laws and regulations that were reasonable foreseeable on the date of our agreement.
- 14.2 We expect that you bear the risks of the non-performance by any of your suppliers and sub-contractors. You can't invoke this article if they default irrespective of the reason for such default.
- 14.3 You shall have an active obligation to take all reasonable measures to take away a situation of force majeure. We may expect from you that you have immediately started taking these measures upon the date on which you notified the situation of force majeure to us.

15. COMPLIANCE WITH LAWS; CSR

- 15.1 You shall at all times conduct your business and corporate affairs in accordance with all applicable laws and regulations.
- 15.2 You agree that all products and/or services that you provide to us have been procured in compliance with all applicable laws and regulations, including the United States Foreign Corrupt Practices Act ("FCPA").
- 15.3 By entering into an agreement with us you agree that

you, your directors, officers and employees shall comply with the Responsible Procurement Principles and that you, your directors, officers and employees shall act in accordance with the spirit of the Responsible Procurement Principles. You can find these rules on our website www.citizenm.com. If you would like to receive a written copy of the Responsible Procurement Principles, we are happy to provide these to you. We shall have the right to audit you for compliance with the Responsible Procurement Principles, in particular if we have reason to believe that you, your directors, officers or employees have acted in violation with these rules.

- 15.4 You shall at your own expense and immediately upon our request complete a CSR survey as provided by us. Further to such survey, and upon our request you shall discuss with us and implement all possible related improvements you could make to its services and operations.

16. HEALTH AND SAFETY AT THE WORKPLACE

- 16.1 You will be responsible for the safety and health conditions at the workplace and you will comply with applicable safety and health regulations.
- 16.2 The equipment and materials that you use at the workplace, such as hoisting and lifting equipment, ladders and scaffolding, will comply with applicable statutory requirements and will be in a perfect state of maintenance.
- 16.3 You will provide your staff with protective equipment, such as safety goggles, safety boots and helmets and tools required to perform the obligations under the agreement.

17. DATA PROTECTION

- 17.1 If the services involve your processing of personal data of our customers or employees, we shall present you with a separate data processor agreement. If we have failed to do so article 17.2 shall apply instead.
- 17.2 If your process personal data of our customers or employees on our behalf you shall:
- (a) only process personal data in accordance with and as far as necessary for our written instructions;
 - (b) only perform such personal data processing activities where the agreement describes the subject matter, the duration, nature and purpose of the processing, the type of personal data and the categories of individuals whose personal data will be processed;
 - (c) impose a duty of confidentiality on employees and sub-contractors with access to the personal data;
 - (d) implement appropriate security measures to protect the personal data to ensure ongoing confidentiality, integrity, availability and resilience;
 - (e) subcontract processing activities only with our prior written consent;
 - (f) allow us to comply and assist us with our obligations with respect to individual's rights, including but not limited to the rights of access, rectification, deletion and data portability;

- (g) notify us without undue delay, and in any case within 24 hours, after you become aware of a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorized disclosure or access to the personal data;
- (h) at our choice, delete or return all personal data upon termination of the agreement; and
- (i) make available to us all information necessary to demonstrate compliance with this article 17.2 which includes cooperation with audits and inspections, unless such cooperation would infringe applicable data protection laws or regulations.

18. APPLICABLE LAW; COMPETENT COURT

- 18.1 The agreement and the relationship between you and citizenM shall be governed by the laws of the Netherlands, unless the place of business of our purchasing entity is located in the United States, in which case the laws of the State of New York without regard to principles of conflicts of laws. The Vienna Sales Convention of 1980 (CISG) does not apply.
- 18.2 If the place of business of our purchasing entity is located in a country that is part of the European Union, we shall exclusively bring any disputes before the competent court in The Hague the Netherlands.
- 18.3 If the place of business of our purchasing entity is located in a country that is not part of the European Union, we will settle any controversy, claim or dispute arising out of this Agreement by binding arbitration in Amsterdam, the Netherlands, unless the place of business of our purchasing entity is located in the United States, in which case the seat of arbitration will be New York, New York or in another location mutually agreeable to the parties. The arbitration shall be conducted on a confidential basis and shall be administered by the International Centre for Dispute Resolution pursuant to the International Arbitration Rules. Any decision or award as a result of any such arbitration proceeding shall be in writing and shall provide an explanation for all conclusions of law and fact and shall include the assessment of costs, expenses, and reasonable attorneys' fees. An award of arbitration rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

PROVISIONS WITH RESPECT TO THE SUPPLY OF PRODUCTS

19. CUSTOM PRODUCT DEVELOPMENT

- 19.1 Custom products shall be developed and produced in accordance with the specifications provided to you by us. You shall be presumed to have confirmed that these specifications are correct and complete and enable you to develop and produce the product unless you have told us otherwise prior to the commencement date of the production of the product.
- 19.2 You shall produce custom products solely for us. You are not entitled to sell these products to third parties.
- 19.3 Production of custom products shall only start after you have presented a final prototype to us for acceptance.

The product shall be accepted by us if it meets the specifications provided to you. If the acceptance test fails, you may correct the defects that we have found in the product and present a subsequent version to us for acceptance. You shall do so within thirty (30) days after the date on which the product has failed the acceptance test. If the product fails the second acceptance test, we can terminate the agreement at no cost to us. The acceptance test process shall be mutually agreed upon.

- 19.4 We shall be entitled to any copyright, patent right or design right that vests in custom products. To the extent needed to have these rights assigned to us, you agree to unconditionally cooperate with us to complete and execute all required legal paperwork, including but not limited to a deed of transfer. In the absence of your cooperation you hereby unconditionally provide us with a legal mandate to do this on your behalf.

20. QUALITY AND DESCRIPTION OF THE PRODUCTS TO BE DELIVERED

- 20.1 You guarantee that the product that you have delivered to us:
- (a) meets the specifications provided to you by us;
 - (b) comes with instructions of use and maintenance instructions written in the local language which are easy to read and enable us to install and use the product in our hotels;
 - (c) is made from sound, new materials and is properly constructed;
 - (d) is suitable for the purpose for which it is intended;
 - (e) is fit for use in a hotel on a day-to-day basis, and if part of the standard room inventory, for daily handling by our hotel guests;
 - (f) does not constitute a health or environmental risk;
 - (g) complies in every way with all the applicable statutory requirements, regulations and European directives (such as CE and EMC marks) in respect of the design, composition and quality;
 - (h) meets the reasonable expectations with respect to the characteristics, quality and/or reliability that we are entitled to have given what you have communicated about the product in the offer (if any), any demonstrations to us, on your Internet site or any other communication that is available to the general public.
 - (i) has been labelled with sufficient marks to be able to trace back the country of origin and the manufacturer; and
 - (j) is the genuine stuff and no counterfeit. Don't ever sell us fake design furniture for example.

21. INSPECTION AND TESTING

- 21.1 We may come and have a look at your facility to inspect and monitor the manufacturing or the assembly of the products. This includes a right for us to inspect and test semi-finished products or finished products (or have them inspected and tested) before the time of delivery.

Inspection or testing is meant to give us more assurance on the expected quality of your performance. It does not mean that you are no longer required to give a warranty or that you are otherwise no longer liable for any non-performance.

- 21.2 We expect that you test and inspect each product prior to delivery to us. You shall maintain records of such inspections for a period of no less than three years after the date of delivery.
- 21.3 If we reject products that have been delivered to us, we will notify you immediately of this rejection. You will consequently immediately repair or replace the products that have been delivered to us, at our option.

22. PACKAGING; TRANSPORT; STORAGE; INSTALLATION

- 22.1 We require that you package and store products as economically, safely and carefully as possible and in such a manner that shipment can be properly and adequately handled during transportation and delivery and reach their destination in an undamaged condition.
- 22.2 We are sensitive of the environment and work as sustainably as possible. We require that you do the same. Therefore, when you package products you shall use neutral packaging materials without printing, and reuse packaging materials as much as possible. Packaging materials shall be suitable for reuse or recycling. In case of multiple delivery of products, you shall collect spent packaging and/or returnable packaging at no cost to us.
- 22.3 When you package products for delivery to a citizenM delivery address you shall ensure that:
- (a) the package is labelled with its contents, the citizenM delivery address and the relevant purchase order and any other information that we agreed you would put on it;
 - (b) products are packaged in such a manner that they can be safely transported;
 - (c) mark the package and products with the warning, storage and handling labels that are required by law or are appropriate given the specific nature of the product (e.g. the product can break if handled incorrectly);
 - (d) products are packaged in such a manner that we don't break local applicable work environment legislation if we let our employees handle them. For example, at all times you shall not require that our employees handle packaging with a unit weight of more than 20KG.

We are entitled to reject any deliveries that do not comply with these requirements.

23. DELIVERY; TRANSFER OF OWNERSHIP AND RISK

- 23.1 You will deliver the products to the agreed citizenM delivery address. If this means that the products will need to be imported into the country of the delivery address, you will take care of the customs documentation in your name and for your own risk and

pay for any associated customs and excise duties and other government related duties. We only pay the purchase price, any costs of whatever nature connected with the delivery of the products is presumed to be included in the purchase price.

- 23.2 Prior to the delivery you shall provide us with complete and adequate documentation about the products, including handling and storage instructions, forwarding documents, certificates of authenticity, all written data relating to relevant governmental regulations, such as data regarding the safe handling, storage, usage and disposal of the products in the country of delivery.
- 23.3 The products are for our risk starting from the date on which we have taken delivery of them. The ownership of the products is transferred on the date on which we have paid the relevant invoice. You are presumed to have transferred the ownership unencumbered without any lien or attachment. If we have refused to take delivery of the products for example because they do not meet the specifications, the products will remain for your risk.
- 23.4 Products that we provide to you for repair, handling or processing will be at your risk during the period in which they are being repaired, handled or processed. You agree to waive your right of retention in relation to such products in our favour.

24. SERVICE REQUIREMENTS

- 24.1 For the duration of the agreement and for a period of five years thereafter, you shall maintain a service organisation which effectively enables you to repair or replace a product on site at a citizenM location within a time frame of five days after having been notified of the break down.
- 24.2 We shall be entitled to have our internal service organisation handle repairs of products. For this purpose, you shall train members of the service organisation that we designate to you in performing these repairs free of charge. In addition, you shall maintain an online knowledge base or other information source which our service organisation members can access to support them when performing repairs. For products that are covered by a warranty you shall pay for the actual repair costs. If and to the extent spare parts are needed to perform repairs you shall make a spare part stock available for use at our locations.
- 24.3 If we repair a product we will notify you in advance of our intention to do so and of the nature of the defect in the product.

25. PRODUCT WARRANTY OBLIGATIONS

- 25.1 For each product you shall provide us with a warranty. The warranty involves that you will be liable for any defects that occur in the product during the applicable warranty period. The warranty period starts on the date of delivery of the product to us. If the product is a component part of another product the warranty period

will start on the date that the other product has been put into use by us. A standard warranty period of two (2) years shall apply unless we have agreed otherwise with you.

- 25.2 A defect is any non-conformity of the product with the agreement. We will notify you of the existence of a defect in writing as soon as we have become aware of it. Each notice will contain the nature of the defect and the citizenM location where the defective products are located. During the warranty period you will remedy any defects free of charge within a reasonable term after having been notified by us. This obligation does not exist if you can show to us that the defect has been caused solely by our improper use of the product.
- 25.3 Products that are portable and can easily be replaced will be collected by you for repairs at the relevant citizenM location in exchange for a temporary replacement product. All other products will be repaired on site at the citizenM location where the relevant product is located.
- 25.4 In case a product with a defect is part of a batch of products that have been delivered to us and the same defect shows up in at least ten percent (10%) of this batch, this defect qualifies as an epidemic defect. In case of an epidemic defect you shall service all products that have been part of the batch to ascertain that the same defect does not show up in the other delivered products. In case of a large batch of products (20+ units) you shall first present us with a written service plan and related timetable for approval prior to commencing the service.
- 25.5 As soon as the replacement or repair is completed and accepted by us a new warranty period will commence in respect of that replacement or repair.

26. IMPORT AND EXPORT REGULATIONS

- 23.1 You agree to not deliver a product to us in violation of applicable government export and import laws, regulations and ordinances of any country or government having jurisdiction of the export, import or delivery of the product.

PROVISIONS GOVERNING THE PROVISION OF SERVICES

27. PERFORMANCE

- 27.1 You will be responsible for the day-to-day management and supervision of the services provided by you. Your personnel will possess the skills, qualifications and experience required to perform the services.
- 27.2 The delivery of the services can be in one go or can be divided in separate milestones.

28. SERVICES QUALITY

- 28.1 You guarantee that each service that you deliver to us meets the following quality standards:
- (a) it shall be performed in accordance with the agreed specifications;

- (b) it shall timely be performed strictly in accordance with the timetable and, if applicable, agreed service levels;
- (c) it shall be free from defects in workmanship;
- (d) it shall be performed in accordance with the standards that can reasonably be expected from a service provider with your competency;
- (e) it shall be performed by sufficient and competent personnel; and
- (f) it shall be performed in accordance with all applicable statutory requirements.

29. ACCEPTANCE

- 29.1 Except if otherwise agreed your delivery of the services and each milestone that is part of the delivery shall be subject to acceptance in accordance with this article 29.
- 29.2 It is all or nothing. This means that if we may reasonably expect that any part of the milestones shall not pass the acceptance test, we shall not be required to perform any acceptance test. The acceptance test process shall be mutually agreed upon.
- 29.3 We shall conduct the acceptance tests on the date of delivery of the service or of the relevant milestone. Within fourteen (14) days of performing the acceptance test, the following shall apply if:
- (a) we accept the delivery of the service or the milestone, in which case you shall be entitled to the agreed payment; or
 - (b) we do not accept the service or the milestone, in which case:
 - (i) we shall present you with our reasons for non-acceptance in writing, except if the reasons for failure to pass the acceptance tests are evident;
 - (ii) you shall carry out, as soon as practicable, at its your own expense, all corrections, additions, removals, modifications as are required for meeting the acceptance tests;
 - (iii) the milestone corrected, completed or modified in accordance with article 29.2(b)(ii), shall be subjected to a renewed acceptance test at your expense in accordance with this article 29.3; and
 - (iv) if, by any chance, you disagree with us for not accepting the service or the milestone, you send us a written notice of disagreement supported by substantive arguments, specifying in reasonable detail the grounds of disagreement. Upon receipt of the notice, you and we shall make reasonable endeavours to settle the disagreement within fourteen (14) days of receipt of the notice. If you and we fail to reach agreement, a dispute shall exist which shall be governed by article 18 above.