General Terms and Conditions for Software Subscription of Albrecht Bäumer GmbH & Co. KG

July 2023

I. Subject of the contract

These General Terms and Conditions for the transfer of software to the customer govern the initial set-up and configuration as well as the updating of software in the form of a subscription model (software rental).

II. Scope of service

1. BÄUMER shall provide the customer with the software corresponding to the version and the defined scope of functions designated in the offer.
2. The software is provided for On-Premise use, i.e. on the servers or in the cloud area of the customer, i.e. on BÄUMER servers.
3. BÄUMER shall perform the initial setup and configure the software according to mutually agreed requirements, such as a specifications document.
4. BÄUMER shall take over the maintenance of the respective current software version and shall provide the customer with hotline support, if agreed.
5. The following services are not part of the scope of service covered by the contract:
   • Machinery support
   • Maintenance/support for obsolete and discontinued software versions

III. Cloud operation

1. During the term of this contract, BÄUMER shall provide the customer with the latest version of this software and shall deliver the following services:
   a) Operation of software on a global server network
   b)   Storage of data on servers in Europe that comply with GDPR requirements
   c) Set-up, testing and operation of a server facility owned by the customer
   d) Security and encryption mechanisms certified in accordance with ISO27001, ISO27017 and ISO27701
   f) Server network comprising more than 90 servers with failsafe mechanisms and 4-hourly back-ups
   g) The agreed level of availability (Service Level) is deemed to have been satisfied if the software achieves an availability level of 99% during the measuring period of one calendar year

2. The availability of software relates to the availability of an Internet connection at the computer centre. To measure the Service Level, availability is monitored by in-house procedures at BÄUMER.

IV. Modifications of services

1. Modification requests of the customer with regard to the agreed requirements for the initial installation and configuration, e.g. regarding the scope of functions, the program structure, the design of the user interface or other features, will be taken into account by BÄUMER insofar as this is feasible in terms of time and technology.
2. After reviewing the modification request, BÄUMER will either inform the customer that the modification proposal is not feasible for BÄUMER within the scope of the agreed services or submit a written offer to implement the modifications (modification offer). The modification offer shall contain, in particular, the changes compared to the previously agreed requirements and their effects on the period of performance, the planned deadlines and the remuneration.
3. The customer may declare a modification offer within the acceptance period (binding period) specified therein in writing or in any other form agreed between the contracting parties. If the customer does not make any declaration within the acceptance period, the offer shall be deemed rejected.

4. BÄUMER does not have to take into account any modifications which represent a serious deviation from the original content of the contract or which are unreasonable for BÄUMER within the scope of its operational capacity.
5. Within the framework of an iterative project approach, the responsibility lies with both Bäumer and the customer to realize the agreed scope within the budget as well as the timeline. BÄUMER will indicate in the modification offer if the originally agreed scope of services cannot be implemented/realized or can only partially be implemented/realized due to the reprioritization or the deletion/addition of requirements. After acceptance of a modification offer, this represents the new scope of services.

V. Customer's duty of cooperation and information
1. The customer and BÄUMER shall each appoint a responsible contact person and a deputy. Unless otherwise agreed, communication between the customer and BÄUMER shall take place via these contact persons. The contact persons are internally authorized to make any decisions related to the execution of the contract without delay.
2. The customer is obligated to support BÄUMER as far as necessary and to create in his sphere of operation all conditions necessary for the proper execution of the contract. To this end, he shall in particular provide all necessary information and hand over to BÄUMER free of charge and in good time all documents, information and data which BÄUMER requires for the performance of the service.
3. The customer shall ensure that competent personnel are available to provide support as required.
4. The customer shall observe the minimum software and hardware requirements communicated by BÄUMER.
5. The customer shall grant BÄUMER the access to his IT system that is required for remote maintenance.
6. The customer is responsible for data protection and data security within the scope of his software use. BÄUMER therefore recommends that the customer should commit his employees to data protection and data security, especially when dealing with mobile client devices (tablets, smartphones, laptops, etc.), and monitor compliance with this commitment. In addition, the customer should regularly back up his data, especially before changes to the software and before remote maintenance accesses.
7. BÄUMER may demand compensation for any additional expenses incurred due to the customer's failure to properly fulfill his cooperation duties.

VI. Acceptance
1. After completion of the initial setup and configuration, user training and user acceptance testing will be conducted. Once these have been carried out, BÄUMER will ask the customer to perform his acceptance tests. The customer shall carry out the acceptance tests within a period of 10 working days on the basis of the agreed performance characteristics, at his own expense.
2. If the acceptance tests fail, the customer shall provide BÄUMER with a list of all detected defects, categorized according to the criteria "preventing acceptance" and "not preventing acceptance", within the period specified in section 1. After expiry of a reasonable period of time, BÄUMER shall provide a version of the work that is free of defects and ready for acceptance and shall offer the performance for acceptance again.
3. The customer shall declare acceptance of the deliverables in writing within seven days of the renewed request for acceptance or notify BÄUMER of any remaining defects in accordance with section 2.
4. If the acceptance fails at least twice, the customer can either demand a second correction of the defect, reduce the contract value or withdraw from the contract. The right to substitute performance or compensation is excluded.

5. The customer may not refuse acceptance due to insignificant defects. Notwithstanding the foregoing, BÄUMER shall also remedy insignificant defects within a reasonable period of time.
6. In order to be able to clearly classify occurring defects, the following error classification is agreed upon:
   a. Error class 1: Significant error that makes further, even limited, use impossible. This error is considered to prevent acceptance.
   b. Error class 2: Use is impaired, but at least limited use is possible. Acceptance is declared conditionally with a deadline being set for rectification of the error; payment is made. This error is not considered to prevent acceptance.
   c. Error class 3: Small errors that do not affect functionality or affect it only insignificantly. Acceptance is declared, payment is made, errors are corrected within a reasonable period of time. This error is not considered to prevent acceptance.
7. The work shall be deemed to have been accepted if the software is used productively by the customer and no defects preventing acceptance have been notified within the acceptance deadlines.

VII. Rights to the work

1. BÄUMER assures the customer's company, subject to payment in full of the agreed level of remuneration, a simple and time-limited right throughout the term of the contract to the use of software specified in the order at the customer location agreed in that order for the business purposes of the customer with the agreed number of users. This right of use includes both the standard software, any adaptations and customer-specific developments of the standard software. Companies in which the customer holds a stake of more than 50% are also considered to be the customer's company. At the beginning of the contract and later on request, the customer shall provide BÄUMER with a list of the participating companies that use the software covered by the contract.
2. The number of users is specified in the order and is to be understood as "concurrent" users, i.e. users may use the software at all of the customer's workstations. Only the number of simultaneous logins of multiple users is limited to the maximum agreed number of users.
3. The customer undertakes not to make the software or the documentation available to third parties for use, to copy it or to use it for purposes other than his own business purposes or to have it used by third parties. Copying of the software and documentation is permitted for purposes of data backup insofar this is necessary for use in the ordinary course of business.
4. The customer is not entitled to modify or decompile the software. The statutory exceptions of the German Copyright Act (UrhG) apply.
5. BÄUMER has the right to take suitable precautions to make unauthorized use of the software more difficult (e.g. dongles).
6. In the event of a breach of the aforementioned granting of rights, BÄUMER is entitled to withdraw the right to use the software from the customer. BÄUMER will give notice to the customer beforehand, setting a deadline. If that right of usage is revoked, BÄUMER prohibits the customer from having access to the software (when using it as a cloud application) which means that the customer is obliged to deinstall the software from all machines and to send back to BÄUMER all materials handed over (for On-Premise use) and to destroy all copies made unless the customer has to comply with a statutory requirement to retain these. The customer will confirm the destruction in writing within 14 days after a request to do so.
7. BÄUMER warrants that the software is free from third party intellectual property rights and that no other rights exist which exclude or restrict use by the customer in accordance with the contract.

8. Should third parties nevertheless assert rights, the contracting parties shall inform each other and coordinate the further course of action. BÄUMER shall, at its option, replace the objectionable parts of the work with objection-free parts or re-license the missing rights. BÄUMER shall indemnify the customer against all possible prejudices in this context and shall in particular bear all necessary expenses incurred by the customer as well as any court costs and lawyers' fees and any fees or damages awarded in court to third parties due to copyright infringements.

VIII. Maintenance and support

1. BÄUMER provides services for the maintenance of the software and supports the customer in the use of the software. This includes software updates, software maintenance/support and telephone support (hotline) for software issues, as well as the use of other appropriate electronic channels for solving the customer's problems.
2. Updates include technical modifications and improvements within the transferred software version (known as Minor Releases, e.g. version 1.29 to version 1.30) and new software versions (known as Major Releases, e.g. version 1.30 to version 2.0). These updates do not include functional expansions to the software nor to new software products. These may be purchased by the customer against payment.
3. Within the scope of hotline support, BÄUMER shall advise the customer on the diagnosis and elimination of problems that occur during the customer's use of the software, provided that the problems lie within the functional scope of the software. BÄUMER provides hotline support via telephone or other electronic communication media from Monday through Thursday between 9 a.m. and 4 p.m. and on Fridays between 9 a.m. and 1 p.m. (office hours).
   For consulting services requested via the hotline which do not serve to solve problems in the software, BÄUMER may charge an additional fee in accordance with the price list currently in force.
4. Errors must be reported to BÄUMER in a comprehensible and detailed form and will be registered with unique ID numbers in BÄUMER's ticket system. The customer will assist BÄUMER in diagnosing errors. Errors are classified into an error class according to clause V, section 6. BÄUMER will correct such errors according to their error class.
   a. Error class 1: Corrective work shall be commenced immediately during office hours after notification of the error to BÄUMER and shall continue without interruption during normal office hours, using reasonable overtime, until the error has been corrected.
   b. Error class 2: Correction work will be started within 3 working days after BÄUMER has been notified of the errors.
   c. Error class 3: These errors will be fixed as part of the usual updates.
5. The following errors are not fixed during maintenance:
   d. Errors not caused by BÄUMER, e.g. errors resulting from hardware or operating system errors, changes to the software by the customer or third parties, as well as incorrect operation.
   e. Errors in release versions that are no longer supported by BÄUMER.
   If BÄUMER corrects errors in these categories, it may charge the customer for the service rendered to correct the error.

IX. Remuneration, payment

1. Unless otherwise agreed, remuneration for initial set-up shall be calculated on the basis of scope and/or cost at the prices, terms & conditions agreed on conclusion of contract. In each case, the licence fees for software usage for the agreed period of usage fall due from the date indicated in the order confirmation for the start of usage. The licence fees also include fees for updates and support.
2. If the customer extends the number of users, the additional licence fee is then calculated for the increased number of users for the current period of usage unless

otherwise agreed. If the customer wishes to reduce the number of users, the notice period pursuant to clause VII shall apply.

3. BÄUMER is entitled to adjust the licence fee for a maximum of once a year to reflect changing market conditions, specifically substantial changes in procurement or payroll costs. Such fee adjustment shall take effect three months after the end of the month in which the customer was notified of the change in writing. The customer can terminate this agreement for software usage in the event of an increase in prices.

4. BÄUMER may invoice services and work contract performances on a monthly basis. If services are remunerated on the basis of effort, BÄUMER shall document the type and duration of the activities and submit this documentation with the invoice. Activity reports shall be deemed approved unless the customer objects in writing with a comprehensible justification within 10 days of receipt.

5. Travel costs and expenses as well as other expenses will be charged separately according to effort.

6. Unless otherwise agreed, remuneration shall be calculated according to scope or effort at the prices agreed upon at the conclusion of the contract.

7. All prices are net and subject to statutory value added tax.

8. Unless otherwise agreed in the offer, all invoices shall be payable without deduction 10 calendar days after the invoice date.

X. Deadlines, delays

1. The delivery or execution time derives from the offer and the agreements of the contracting parties. BÄUMER's adherence to the delivery or execution time is subject to all commercial and technical questions having been clarified between the contracting parties and the customer having fulfilled all obligations incumbent upon him. If this is not the case, the delivery or execution time shall be extended accordingly. This shall not apply if BÄUMER is responsible for the delay.

2. Deadlines are only to be understood as fixed dates if this has been expressly agreed. In the event of a missed deadline, BÄUMER shall only be in default after having received a reminder.

3. If a cause beyond the control of a contracting party impairs the compliance with deadlines, including strike, lockout or force majeure, the deadlines shall be postponed by the duration of the disruption, including a reasonable restart period if necessary. Each contracting party shall immediately notify the other of the cause of any disruption occurring in its sphere and the duration of the postponement.

4. In the event that the effort is increased due to a disruption, BÄUMER may also demand payment for the additional effort, unless the customer is not responsible for the disruption.

5. If the customer defaults on payment, BÄUMER may withhold its performance.

XI. Material defects

1. BÄUMER warrants that the software will conform to its contractually stipulated condition when used in accordance with the contract.

2. For the cloud operation of its software, BÄUMER assures the service times agreed in III. If the Service Level drops below this threshold, BÄUMER pledges to provide a credit note to the value of one day's usage (1/30th of the monthly remuneration level) for each commenced day that this issue arises. In the event of the agreed service level not being achieved on three occasions within a one-year period, the customer is authorised to terminate the contract by serving notice of one month to the end of the next month. Other rights based on defects are excluded.

3. When this software is used on the cloud, and in the event of a failure or the loss of data, the servers shall be restored to the data status of most recent data backup within the space of one working day.

4. The customer shall immediately notify BÄUMER of any defects in a comprehensible and detailed form, including all information useful for the identification and analysis

of the defect. In particular the work steps that led to the occurrence of the defect, the manifestation and the effects of the defect must be stated. The customer shall support BÄUMER as far as necessary in the elimination of defects.

5. Unless otherwise agreed, a defect shall be classified into one of the error classes set out in clause 5, section 6. The final classification of these defects into one of the error classes shall be made by mutual agreement between the contracting parties.

6. If defects classified into error class 1 or 2 become apparent during the use of the software, BÄUMER shall initially have the right to remedy the defect within a reasonable period of time by means of supplementary performance. To the extent necessary, BÄUMER must assist with remedial action with defects, shall provide free-of-charge (remote) access to its IT system (with On-Premise operation) and shall provide any analysis material required on demand.

7. The rectification shall only be deemed to have failed if BÄUMER has been given sufficient opportunity to rectify the defect twice within a reasonable period of time without the desired success being achieved, or if it is refused by BÄUMER.

8. If the rectification finally fails, the customer shall have the right to a reduction of the part of the contract concerning the defective performance or the right to rescind the contract. The right to indemnification for damages or substitute performance is excluded.

9. BÄUMER shall not be liable for consequential damages caused by the defect, such as production downtime or loss of profit.

10. Defects of error class 3 will be fixed as part of the usual updates.

11. Any claims due to defects are excluded if the customer, without the consent of BÄUMER, modifies the services supplied by BÄUMER or has them modified by third parties without this being necessary due to a delay on the part of BÄUMER and the fruitless expiry of a grace period set by the customer or due to other significant reasons in order to enable the services provided by BÄUMER to be used in accordance with the contract. This shall not apply if the customer proves that the defects still under warranty were not caused by the modifications made by him or the third party.

12. If BÄUMER provides services in troubleshooting or rectifying faults without being obliged to do so, BÄUMER may demand remuneration for this. This applies in particular if a defect is not reproducible or not attributable to BÄUMER.

13. The customer may only offset or withhold payment with undisputed or legally established claims.

XII. Liability

1. Liability claims against BÄUMER arising from or in connection with this contract are excluded, unless they are based on intent or gross negligence, warranted characteristics or guarantees are missing or an essential contractual obligation has been breached. An essential contractual obligation is one whose breach jeopardizes the purpose of the contract (cardinal obligation). In such cases, BÄUMER shall also be liable for simple negligence. If BÄUMER is also liable for slight negligence pursuant to this provision, the liability shall be limited to the reasonably foreseeable damage that is typical for the type of contract. Liability for personal injury and under the product liability law shall remain unaffected.

2. In the event of a loss of data, BÄUMER shall only be liable for the effort necessary to restore the data if the customer has carried out proper data backups.

3. If a damage or defect is due to requirements of the customer regarding the performance of the services and if BÄUMER had pointed out the possible risk (notification of concern), BÄUMER shall not be liable for this defect or damage.

XIII. Confidentiality & data protection

1. The contracting parties shall be under an unlimited obligation to each other to maintain the confidentiality of business and trade secrets as well as of information

designated as confidential which becomes known in connection with the performance of the contract. Such information may only be disclosed to persons who are not involved in the conclusion, implementation or execution of the contract with the written consent of the other contracting party. The contracting parties shall also impose these obligations on their employees and any third parties engaged.

2. The foregoing obligations shall not apply to trade secrets which (i) were already evident or known to the other contracting party at the time of their communication by the contractual partner; (ii) have become evident after their communication by the contractual partner through no fault of the other contracting party; (iii) have been made available to the other contracting party by a third party after their communication by the contractual partner in a manner which is not unlawful and without restriction as to confidentiality or exploitation; (iv) which have been developed by a contracting party independently without using the trade secrets of the contractual partner; (v) which must be published in accordance with the law, an official order or a court decision – provided that the publishing party informs the contractual partner of this without delay and assists it in defending against such orders or decisions; and (vi) to the extent that the contractual partner is permitted to use or transfer the trade secrets pursuant to mandatory legal provisions or this agreement.

3. If the customer uses this software as a CLOUD application, the parties shall conclude an order processing agreement. The data generated by the customer then become, and remain, the property of the customer. BÄUMER shall only access this data in the interests of and with the consent of the customer, e.g. in an applicable support scenario.

4. BÄUMER shall comply with data protection regulations, especially if it is granted access to the operations or to the hardware and software of the customer (for On-Premise usage). BÄUMER shall ensure that its vicarious agents also comply with these provisions; in particular, it shall impose on them an obligation to maintain data secrecy before they commence their activities. BÄUMER does not aim to process or use personal data on behalf of the customer. Rather, a transfer of personal data occurs only in exceptional cases as a secondary consequence of the contractual services provided by BÄUMER. In such a case, the parties will enter into an order processing agreement.

5. The contracting parties are aware that electronic and unencrypted communication (such as by e-mail) is fraught with security risks. Hence, regarding this type of communication, they will not make any claims based on the absence of encryption, except insofar encryption has been agreed upon beforehand.

6. Notwithstanding the contents of this section, BÄUMER may refer to the customer as a reference in customer lists and sales upon request and receipt of written confirmation by the customer.

XIV. Term and cancellation

The term of the subscription equates to the agreed period of usage and extends automatically by the same length of term unless it is terminated properly with a period of notice of 60 days to the end of such a period of usage. In addition, this does not affect the right to extraordinary termination on compelling grounds. Every termination must be made in writing.

XV. Miscellaneous

1. If the customer is a merchant, a legal entity under public law or a special fund under public law, the exclusive place of jurisdiction for all disputes arising from this contractual relationship shall be at the place of BÄUMER's registered office.

2. These general terms and conditions of contract are governed by German law.