

General Terms and Conditions of N.CAD Technology GmbH

These General Terms and Conditions (“**GTC**”) of N.CAD Technology GmbH, Adi-Preißler-Allee 4, 44309 Dortmund (“**N.CAD**”), apply to the provision of software and the rendering of services by N.CAD to its customers.

These GTC apply both to the purchase of software and services directly from N.CAD and through N.CAD’s distribution partners (“**Distribution Partners**”).

The specific scope of the services owed by N.CAD to the customer is determined in each case by the offer and these GTC. In the event of any conflict between these GTC and the offer, the respective provision of the offer shall prevail.

(A) SPECIAL PROVISIONS FOR SOFTWARE

The following provisions of this Section (A) apply to the provision of software by N.CAD. N.CAD distributes both its own software (“**N.CAD Software**”) and software from other manufacturers (“**Standard Software**”).

1. N.CAD Software

- 1.1 N.CAD warrants that the N.CAD Software is functional in accordance with the service description and is provided in the version current at the time the contract is concluded. Minor deviations from the service description that only insignificantly impair use do not constitute a defect. The customer must notify N.CAD of any defects without delay. The customer is not permitted to remedy defects on their own. Warranty claims expire one year after the customer becomes aware of the defect. N.CAD is only obligated to provide software maintenance or support beyond the statutory warranty for defects if and to the extent that this has been separately agreed upon by the parties.
- 1.2 N.CAD grants the customer a non-exclusive, non-sublicensable, non-transferable, perpetual right of use, limited geographically to the customer’s location(s), to use the N.CAD software on the agreed-upon number of the customer’s own machines on the customer’s own premises for the purpose specified in the contract. In particular, renting out the software or using it for text and data mining as defined in Section 44b of the German Copyright Act (UrhG) is expressly prohibited. The parties agree that translation, adaptation, arrangement, and other modifications to the software that go beyond mere configuration are not necessary for the intended use of the software. Decompilation of the software is permitted only to the extent that the customer has a legal right to do so.
- 1.3 It is the customer’s responsibility to ensure that the end devices and machines used meet the minimum system requirements of the N.CAD software.

2. Standard Software

For standard software, the license and usage terms of the respective manufacturer apply, to which the customer may be required to agree separately during the installation of the standard software. If the standard software is installed by N.CAD, the customer authorizes N.CAD to agree to the license and usage terms on the customer’s behalf as part of the installation.

3. Provision of the Software

- 3.1 N.CAD provides the software to the customer, including online documentation, typically through an on-site installation by an N.CAD employee, for which a separate fee applies. N.CAD is obligated to assist the customer with the installation of the software only if and to the extent that this has been separately agreed upon.

- 3.2 N.CAD is not obligated to disclose the source code of the software to the customer or to deposit it.

4. License Fees and Payment

The customer owes N.CAD the one-time license fee agreed upon in the offer (plus sales tax). This fee is due upon conclusion of the contract and payable within 14 days of invoicing by N.CAD, unless otherwise expressly agreed upon by the parties.

(B) SPECIAL PROVISIONS FOR SERVICES

The following provisions of this Section (B) apply to the provision of IT services by N.CAD.

1. Software Maintenance and Support

To the extent contractually agreed (e.g., via a software maintenance agreement), N.CAD shall provide the customer with software maintenance and support services for the N.CAD software. With regard to standard software obtained through N.CAD, the software maintenance and support terms and conditions of the respective software manufacturer shall apply exclusively. N.CAD is not obligated to provide software maintenance or support for standard software.

1.1 Scope of Services

N.CAD will maintain and support the provided N.CAD software during the agreed term to ensure the operability, functionality, and up-to-date status of the N.CAD software (“**Software Maintenance**”). Software Maintenance includes the correction of errors and malfunctions (bug fixing) and the provision of security-related software updates in accordance with the service description. During the agreed term, the customer is entitled to any update releases provided by N.CAD to its customers for the N.CAD software purchased by the customer as specified in the offer. The installation of update releases is not included but may be arranged for a fee if required. There is no entitlement to the provision of a specific release at the customer’s request within the scope of Software Maintenance. N.CAD may make the provision of upgrade releases—i.e., major enhancements, such as new features, modules, or technical upgrades, or entirely new software products—contingent upon the agreement of a separate license fee.

1.2 Service Level

- 1.2.1 Customer support is available Monday through Friday, except on holidays observed at N.CAD’s headquarters and between December 24 and December 31 each year, between 8:00 a.m. and 5:00 p.m. (“**Support Hours**”), via the email address ncad-support@ncad.de or the N.CAD project or customer portal (ticket system) for reporting issues. Depending on the priority of the issue report, N.CAD commits to the following response times for customer support during Support Hours:

- (a) **Priority 1** (i.e., a software malfunction affecting multiple users with significant impact on the customer’s operations, for which no workaround is available): 8 hours;
- (b) **Priority 2** (i.e., significant impact on key software functions or affecting multiple users, with potential workarounds): 16 hours;
- (c) **Priority 3** (i.e., a minor issue affecting only a few users with minimal impact or available workarounds): 10 days;
- (d) **Priority 4** (i.e., cosmetic defects or inconveniences for individual users with simple workarounds): with the next release.

Response time refers to the period within support hours from the receipt of a fault report until N.CAD begins resolving the issue. N.CAD will take economically reasonable measures to resolve the issue as quickly as possible; however, no specific resolution time is guaranteed.

- 1.2.2 Fault reports must be submitted exclusively by a knowledgeable employee designated by the customer (“**Key User**”), who coordinates and sorts user inquiries internally at the customer’s site. To the extent possible, all communication regarding software maintenance will take place between N.CAD and the Key User.
- 1.2.3 If the content of a fault report submitted by the customer does not fall under software maintenance, N.CAD will inform the customer of this and, if applicable, offer to perform the work as a Professional Service (as defined in Section 2 of this Part (B)) for a fee.
- 1.2.4 N.CAD may refuse to provide software maintenance for versions of the software modified by the customer or for discontinued versions of the software at any time. Should N.CAD nevertheless provide software maintenance in such cases, it shall do so without any warranty. N.CAD will inform the customer of version discontinuations at least 6 months in advance (e.g., via email). After discontinuation, a new purchase of the software is required to switch from the discontinued version to a newer version of the software.
- 1.2.5 N.CAD will provide security-related software updates and notify the customer of these via email. The customer must enable the software updates immediately.

1.3 2nd-Level Support

In certain situations—for example, when purchasing N.CAD software through a distribution partner—N.CAD is only obligated to provide second-level support. This includes technical analyses (detailed log file analysis [N.CAD Server, Autorunner, CNC output], reproduction of errors in a test environment, analysis of ERP/CAD import data [XML, CSV] for format errors) and software-related issues (resolving security vulnerabilities or data loss, customization/bug fixes for postprocessors, bug fixes for the N.CAD Core product, resolution of software errors or crashes, complex post-processor customizations, license issues, database issues, and changes to N.CAD product code or database schema).

1.4 Compensation

- 1.4.1 The customer owes N.CAD the compensation agreed upon in the offer (plus VAT) for software maintenance. Compensation is due annually in advance at the beginning of the contract year, unless otherwise expressly agreed upon by the parties.
- 1.4.2 N.CAD may adjust the fee for the first time after 12 months of the contract term, provided that the costs relevant to price calculation (in particular personnel, energy, license, and material costs) have demonstrably increased or decreased. The adjustment shall be made exclusively to the extent of the actual change in costs and with disclosure of the basis for calculation. Cost reductions must also be taken into account. The customer must be notified of the price adjustment at least two months before it takes effect. If the fee increases by more than 5% compared to the fee applicable prior to the respective price adjustment, the customer may terminate the software maintenance agreement within one month of receiving the price adjustment notice, effective one month from the date of termination.

1.5 Term

- 1.5.1 The software maintenance agreement has a fixed term of 36 months and automatically renews for an additional 12 months at the end of each term, unless terminated by at least one party with three months’ notice effective as of the next applicable term end, unless a different term or notice period has been expressly agreed upon by the parties.
- 1.5.2 The right of both parties to terminate the software maintenance agreement for cause remains unaffected. A valid reason for N.CAD exists, in particular, if the customer is in default of

payment of the fees, in whole or in part, and fails to pay the fees in full within 30 days of receiving a written reminder from N.CAD.

- 1.5.3 Any termination must be in writing.

2. Professional Services

If agreed upon between the customer and N.CAD, N.CAD shall provide certain IT services, such as setting up the software through configuration and commissioning of the machine, updates to new releases, adjustments to the existing configuration, or training ("**Professional Services**").

2.1 Custom Developments

- 2.1.1 If the customer and N.CAD agree on custom developments of the N.CAD software, such development shall be carried out by sufficiently qualified N.CAD employees but at N.CAD's sole discretion, whereby N.CAD has a legitimate interest in maintaining compatibility with the standard version of the N.CAD software. In this regard, it is agreed only that the custom development of the N.CAD software shall solve the task defined in the offer, but not a specific method of solving the task.
- 2.1.2 N.CAD grants the customer only a non-exclusive right of use pursuant to (A) 1. with respect to the customer-specific developments of the N.CAD software commissioned by the customer. N.CAD is entitled to incorporate the customer-specific developments into the standard version of the N.CAD software at any time and to use and exploit them without restriction.

2.2 Post-Processor Adaptations

If the customer commissions N.CAD to perform post-processor customizations, these shall be carried out in accordance with the specifications provided by the customer. With regard to the post-processor customizations, N.CAD grants the customer only a non-exclusive right of use in accordance with (A) 1.

2.3 Commissioning, Hour Allocation & Communication

- 2.3.1 To commission a Professional Service, the customer must submit a corresponding request to N.CAD. N.CAD will review the request for feasibility and the customer's available hourly allowance and, if applicable, submit an offer to the customer. Upon the customer's acceptance of the offer, the Professional Service is deemed agreed upon.
- 2.3.2 The customer may order an hourly quota that they may use for services to be determined by them in connection with the software, in particular for configuration, customization, and consulting services. The ordered hourly quota must be paid by the customer upon ordering and has a term of no more than twelve (12) months from the date of ordering ("**Quota Term**"). Any portion of the hourly allowance that has not been used by the end of the allowance term shall expire without compensation; there is no entitlement to an extension of the allowance term, a refund, a cash payment, a credit, or a transfer to a new allowance, unless otherwise specified below.

2.4 Compensation

- 2.4.1 Professional Services shall be compensated at the price specified in the offer or based on N.CAD's hourly rates in effect at the time the order is placed (billed in half-hour increments; each half-hour or portion thereof shall be charged in full), plus any material, travel, and incidental costs. N.CAD shall send the Customer a time sheet along with the invoice. The customer must notify N.CAD in writing (email is sufficient) of any objections to the time sheet within 14 days of receipt. The invoice is payable within 14 days of receipt.

2.4.2 Unless expressly designated as a fixed price, the prices stated in the offer are merely cost estimates in the sense of a professional, non-binding calculation of the costs expected to be incurred.

2.4.3 If the customer cancels an agreed-upon appointment for the provision of Professional Services, N.CAD is entitled to 50% of the fee for the agreed-upon appointment in the event of a cancellation, and to 100% of the fee for the agreed-upon appointment if the cancellation occurs less than 14 days before the appointment.

2.5 Change Request

2.5.1 If the customer subsequently requests a change to the agreed scope of services (“**Change Request**”), this requires a separate agreement between the parties. To this end, the customer must submit a Change Request—expressly designated as such—in writing to N.CAD.

2.5.2 N.CAD will review the customer’s change requests to assess their feasibility and their impact on the schedule and costs. If a change request is feasible, N.CAD will submit a corresponding proposal to the customer, including the costs and a schedule. The customer may accept this offer in writing within 5 business days. If the customer does not accept the offer or if N.CAD does not submit an offer due to the change request’s unfeasibility, the originally agreed scope of services shall remain in effect, and N.CAD shall not be liable for any delay in the provision of services caused by the change request.

2.5.3 If N.CAD receives a communication from the customer that, in N.CAD’s opinion—even if it was not expressly designated as such—qualifies as a change request, N.CAD may bring this to the customer’s attention and request confirmation that the customer wishes to submit a change request.

2.6 Warranty

2.6.1 N.CAD warrants that all Professional Services will be performed in a professional manner by sufficiently qualified and trained employees in accordance with recognized technical standards. A specific result is not guaranteed. The customer has no right to demand that the Professional Services be performed by a specific N.CAD employee.

2.6.2 In the case of the configuration and commissioning of a machine, N.CAD is only obligated to perform the professional configuration of the software and commissioning; however, it assumes no warranty for the error-free functionality of the machine itself.

2.7 Customer Cooperation

2.7.1 The customer must provide N.CAD in a timely manner with all information and documentation necessary for the provision of services, as well as personnel if required. To the extent necessary, the customer shall grant N.CAD’s employees access to its premises, the machines, and the existing IT infrastructure, and shall provide a workspace (including power and internet connections) that complies with applicable occupational safety regulations.

2.7.2 The customer is responsible for ensuring that the information provided by them is complete and accurate. N.CAD is under no obligation to verify the content of the information.

2.7.3 Upon completion of the Professional Services, the Customer is obligated to test the software before commencing production operations.

(C) GENERAL PROVISIONS

The following general provisions apply to software and services.

1. Liability

- 1.1 N.CAD is liable without limitation, in accordance with statutory provisions, for damages resulting from injury to life, limb, or health; for damages resulting from a grossly negligent or intentional breach of duty by N.CAD or one of its legal representatives or agents; and for damages resulting from defects fraudulently concealed.
- 1.2 Furthermore, N.CAD is liable only for damages resulting from a breach due to slight negligence of an essential contractual obligation, the fulfillment of which is essential for the proper performance of the contract and on the observance of which the customer may reasonably rely (so-called cardinal obligations), limited to the amount of foreseeable damages and, at most, to the total remuneration payable by the customer to N.CAD in the relevant calendar year; in this case, liability for consequential damages arising from defects and lost profits is excluded.
- 1.3 Liability for damages resulting from the loss of data is limited to reimbursement of the restoration costs that would have been incurred had the customer regularly performed proper data backups (duty to mitigate damages).
- 1.4 Strict liability pursuant to Section 536a(1) of the German Civil Code (BGB) for defects that already existed at the time the contract was concluded is excluded.
- 1.5 The foregoing limitation of liability applies mutatis mutandis to the personal liability of N.CAD's employees, officers, and agents.

2. Force Majeure

- 2.1 N.CAD shall not be liable for non-performance or delayed performance of its contractual obligations to the extent that such non-performance or delay is attributable to an event of force majeure. Force majeure, as defined in this clause, means an event beyond N.CAD's control that was unforeseeable at the time the contract was concluded and could not be averted by reasonable measures, and which makes the fulfillment of contractual obligations wholly or partially impossible or significantly more difficult. These include, in particular, natural disasters, war, acts of terrorism, pandemics, epidemics, strikes, lawful or unlawful governmental measures, embargoes, power outages, cyberattacks, and other comparable events.
- 2.2 N.CAD will immediately notify the customer in writing of the occurrence and the expected duration of the event and will take all reasonable measures to mitigate its effects.
- 2.3 If the force majeure event lasts longer than 60 days, either party is entitled to terminate the contract in writing with 14 days' notice.

3. Indemnification

If third parties assert claims against the customer on the grounds that the contractual use of the N.CAD software or Professional Services infringes their intellectual property rights ("**Third-Party Claims**"), N.CAD shall indemnify the customer against such claims, including reasonable and necessary legal defense costs. This is subject to the condition that the Customer immediately and fully informs N.CAD of the third-party claims and grants N.CAD full control over the defense against such claims (including the selection of attorneys and the decision to settle). The indemnification obligation does not apply if the third-party claims relate to a modification of the N.CAD software not authorized by N.CAD and/or to materials or information provided by the customer.

4. Data Protection & Confidentiality

- 4.1 If and to the extent that N.CAD must process the Customer's personal data in connection with the provision of services on the Customer's behalf, the parties shall separately enter into a data processing agreement in accordance with Article 28 of the GDPR.

- 4.2 The parties agree to treat any trade secrets of the other party obtained in the course of contract negotiations and performance as strictly confidential and not to disclose them to third parties.

5. Other Provisions

- 5.1 Reference Customer Mention: N.CAD is entitled to use the customer's name in connection with reference customer advertising.
- 5.2 Subcontractors: N.CAD may engage third parties at any time to provide services.
- 5.3 Audit: N.CAD has the right to conduct an audit at the customer's premises once per contract year and, in addition, in cases of reasonable suspicion, to verify the customer's use of the software in accordance with the contract ("**Audit**"). The customer shall grant N.CAD or a third party commissioned by N.CAD and bound by a confidentiality agreement access to its business premises, IT systems, and relevant documents, to the extent necessary. If a violation of the Terms of Use by the customer is determined, the customer shall bear the costs of the audit. Further claims by N.CAD remain unaffected.
- 5.4 Customer Terms and Conditions: The Customer's General Terms and Conditions of Business and Delivery shall not apply.
- 5.5 Amendment of Terms and Conditions: N.CAD is entitled to amend these Terms and Conditions subject to a reasonable notice period, provided there are valid reasons for doing so, such as, in particular, changes in legal or regulatory requirements, technical advancements in the contractual services, the introduction of new products, or changed market conditions that necessitate an adjustment. N.CAD will send the customer a notice of amendment for this purpose. The customer has the right to object to the amendment within six weeks of receiving the notice of amendment. If the customer does not object within the specified period, the amended Terms and Conditions shall apply going forward. In the event of a timely objection by the customer, the Terms and Conditions shall continue to apply in their previous form. However, N.CAD has the right to terminate the agreement with the customer with a notice period of an additional 6 weeks.
- 5.6 Set-off: The customer may only set off claims against N.CAD that are undisputed or have been legally established.
- 5.7 Severability Clause: Should individual provisions of these Terms and Conditions be wholly or partially invalid, the remainder of the contract shall remain valid. The invalid provisions shall be replaced by a provision to be determined in accordance with the parties' intent that most closely approximates the economic purpose of the invalid or unenforceable provision.
- 5.8 Place of Jurisdiction: To the extent permitted by law, Cologne shall be the exclusive place of jurisdiction for all disputes arising from or in connection with these General Terms and Conditions.
- 5.9 Governing Law: The laws of the Federal Republic of Germany shall apply, excluding the UN Convention on Contracts for the International Sale of Goods.
- 5.10 Prevailing Language: This translation of our General Terms and Conditions is provided for convenience and information purposes only. In the event of any discrepancy, inconsistency, or conflict of interpretation between the English version and the original German version ("Allgemeine Geschäftsbedingungen"), the German version shall prevail and be legally binding.