

TERMS AND CONDITIONS OF SERVICE

1. Subject Matter of Contract

- 1.1 The terms and conditions of service apply to any service rendered by Staedtler-Logistics towards the customer.
Deviating, conflicting or supplementary terms and conditions from the customer are not a part of the contract; the provisions of Staedtler-Logistics, as stated herein, apply exclusively.
- 1.2 The transfer of standard software products is governed by Staedtler-Logistics standard conditions for software transfer.
In the event that Staedtler-Logistics standard products are modified or adjusted by the customer, the utilization rights regarding such modifications and adjustments must be in compliance with the agreement reached between the customer and Staedtler-Logistics.
Hardware sales are governed by Staedtler-Logistics standard conditions for hardware sales.
Software servicing is governed by Staedtler-Logistics standard conditions for software servicing.
- 1.3 Type and content of service must be agreed upon in a contract of service (Service Contract).
Detailed specifications of service such as rough concepts, detailed concepts and requirement specifications can be referred to therein.
- 1.4 Staedtler-Logistics is only bound to deliver a certain service result if such a result has been specified expressly in writing in the contract of service.

2. Payment

- 2.1 Costs
Payment shall be effected on the according to time expenditure in accordance with Staedtler-Logistics' service rates at the placing of the order, unless other conditions of payment have been agreed upon.
- 2.2 Billing
One person day equates to eight person hours. Every commenced person hour is considered a full hour.
- 2.3 Payment in Special Cases

2.3.1 Abjuration of Contract

By abjuration of this contract without Staedtler-Logistics being at fault, the customer is obligated to pay the minimum number of person days denominated in the offer and agreed upon in the contract. In this case, the burden of proof for a fault by Staedtler-Logistics rests on the customer.

2.3.2 Additional Requirements

If supplementary person hours are required in addition to the person hours contractually agreed upon and denominated in the Contract of Software Services, Staedtler-Logistics is required to inform the customer of the additional requirements. The information must be presented to the customer in written form at an appropriate time in relation to the project.

Additional person hours will only be executed and calculated after written approval from the customer project manager/named contact person. The customer will be billed the daily rate indicated in the contract after approval of the additional hours.

2.3.3 Reduced time

If the offered and contractually agreed upon services can be rendered completely by Staedtler-Logistics in less person hours than agreed upon, Staedtler-Logistics will only charge the customer for the rendered person hours/services at the rate agreed upon in the contract.

2.4 Travel Expenses/ Travel Times

Travel expenses are calculated according to the actual time expenditure (by train: first class; by plane: economy class). If a "Bahncard" (German railway discount card) is used, 75% of the actual ticket price is invoiced. For journeys by car, € 0.65 per kilometer is invoiced. Travel expenses are always calculated from the Staedtler-Logistics location in Nuremberg. Travel time is considered working time. Staedtler-Logistics therefore invoices 75% of the hourly rate as travel fees.
Accommodation expenses are established on an actual cost basis, rates for per diem allowances are established in accordance with the federal German income tax guidelines.

2.5 Value-added tax

Value-added tax is not included in the prices.

2.6 Time sheet

Staedtler-Logistics establishes the accrued expenditure based on time logs and invoices the expenses that incur on a monthly basis, unless otherwise agreed upon.

2.7 Settlement date

Payment is due upon receipt of invoice, unless otherwise agreed upon.

2.8 Late payments

Staedtler-Logistics invoices interest rates of eight percentage points above the base rate for the period of delay. The claim of further damage caused by delay remains unaffected.

2.9 Payment in advance

Staedtler-Logistics is entitled to require payment in advance in case an application for composition or a petition for bankruptcy has been filed by the customer, the customer is heavily indebted or late in payment.

3. Cooperation of the parties

3.1 Contact person

At the commencement of performance of Staedtler-Logistics, the customer must appoint a contact person who is authorized to make or bring about important decisions concerning the services to be rendered by Staedtler-Logistics. The contact person is in particular responsible for establishing the necessary contacts and communication with the respective departments of the customer's company, for coordinating the time-tables, appointments and schedules for the services rendered by Staedtler-Logistics at the customer location in the respective departments.

Reciprocally, Staedtler-Logistics appoints a contact person who coordinates all technical and organizational concerns as far as these affect the services rendered by Staedtler-Logistics.

3.2 Support by the customer

The customer provides the equipment required for Staedtler-Logistics services, in particular the organizational and technical IT capacity and infrastructure that is required, data and test data and - if services are rendered directly on the customer's premises - seminar rooms or offices.

The customer is obligated to assist and support Staedtler-Logistics to the best of his/her abilities. The customer is responsible for the customer's requirements being technically realizable under reasonable conditions with the required tools and material provided by the customer.

3.3 Customer Participation Obligation

Upon request from Staedtler-Logistics, the customer is required to execute appropriate and sufficient testing of the software and, where applicable, of existing developed/delivered additional components from Staedtler-Logistics, as contractually agreed upon, before going live. These tests must be run independently and on the customer's own authority

Granting of Rights

For work results that are subject to property rights, Staedtler-Logistics grants a non-exclusive, non-transferable and open-ended licence to the customer. The licence commences on the date the service account is fully settled. Until full payment has been received, Staedtler-Logistics shall have the right to suspend the licence for utilisation.

4. Confidentiality

4.1 Confidentiality

The contracting parties are obligated to treat confidential information and files of any other contract partners as company secrets. The customer is in particular obligated to label any information and files as confidential insofar as they cannot instantly be identified as confidential.

4.2 Loyalty

In the event of partner poaching or seeking to poach employees of the other partner by using anticompetitive techniques (§1 German Federal Law on Unfair Competition), a contractual penalty to the amount of 50% of the annual gross income of the employee concerned is payable.

5. Liability

Staedtler-Logistics is liable - regardless from which legal cause outside of warranty - exclusively under the following provisions:

5.1 Unlimited Liability

Staedtler-Logistics is fully liable:

5.1.1 in case of intent, gross negligence and gross organizational negligence.

5.1.2 in cases of damage from injury to life, body and health, regardless of gravity of fault.

5.1.3 in cases where Staedtler-Logistics has assumed a guarantee.

5.2 Contract-typical, foreseeable damage

Staedtler-Logistics' liability for damage arising from infringement of essential contractual obligations is limited to contract-typical, foreseeable damage if no case covered by subsection 5.1 exists.

5.3 Other cases

In any other case, Staedtler-Logistics' liability is limited to the contractual compensation per claim.

5.4 Liability without fault

by Staedtler-Logistics is excluded.

5.5 Contributory negligence and data backup

In case damage is attributable to negligence displayed by Staedtler-Logistics as well as by the customer, the customer must deduct his contributory negligence.

The customer is particularly responsible for regular, at least daily, data backups. In case of a loss of data for which Staedtler-Logistics is responsible, Staedtler-Logistics can thus only be held liable for covering the costs of the reproduction of data from the backup copies, provided by the customer.

5.6 Product Liability Law

Liability according to the Product Liability Law remains unaffected.

5.7 Third-party property rights

In case a service rendered by Staedtler-Logistics violates the copyrights or any other property rights of third parties, Staedtler-Logistics indemnifies the customer against any claim or demand arising from property right infringements, provided that the customer immediately informs Staedtler-Logistics about any claims or demands arising from property right infringements and actively includes Staedtler-Logistics in the negotiations with the third party, entrusts Staedtler-Logistics with the negotiations as far as possible and supports Staedtler-Logistics to a reasonable extent.

6. Special provisions for service performance

- 6.1 If Staedtler-Logistics is guilty of malperformance in respect to services to be rendered, the legal consequences, insofar as overriding contractual provisions or these general terms of business from Staedtler-Logistics do not present differing stipulations, comply with the legal regulations.
- 6.2 The customer must inform Staedtler-Logistics of the malperformance in written form.
- 6.3 In any case, Staedtler-Logistic is entitled to a two-fold right of rectification of defects, insofar as is possible according to the nature of the rendered service, within a reasonable time range that is reasonable for the customer. The request for rectification of defects must be presented by the customer in writing to Staedtler-Logistics. Only after two unsuccessful rectification attempts, are the rights described in section 6.1 1 available to the customer.

7. Special provisions for consulting performances

- 7.1 Project description
The contracting parties agree, by means of a project description, on the concrete consulting content, extent and procedure.
- 7.2 Costs and expenses, additional or reduced costs and expenses
Staedtler-Logistics estimates the total costs and expenses based on the project description, which complies with the general experience values in similar stored projects, which may not take, however, customer-specific conditions in the company's environment and operational conditions, unforeseen by Staedtler-Logistics, into account. Staedtler-Logistics informs the customer in a timely manner of any additional services and any additional costs and expenses arising as a result thereof and will only render and invoice these services with the customer's explicit prior consent.
- 7.3 Final confirmation
The customer shall confirm the completion of each stage of the consulting project stipulated in the project document.

8. Special Provisions for Computer Programming and Parameterization

- 8.1 Specification (detailed concept)
In the framework of programming and parameterization work, the customer is obligated to provide Staedtler-Logistics with a detailed concept before the commencement of work by Staedtler-Logistics. It is the customer's responsibility to ensure that the specifications and requirements for the services rendered by Staedtler-Logistics are complete and error-free.

The customer must provide any relevant system data for the service. The customer must prove the completeness and sufficiency of his specifications where applicable. Staedtler-Logistics only offers consulting and support for the planning and creation of detailed concepts. Before beginning parameterization and programming services, the customer will perform a detailed check of the specifications and then deliver them to Staedtler-Logistics. These details are relied on and treated as binding instructions.

8.2 Total costs and expenses, additional or reduced costs and expenses

Staedtler-Logistics estimates the total costs and expenses based on the project description, which complies with the general experience values in similar stored projects, which may not take, however, customer-specific conditions in the company's environment and operational conditions, unforeseen by Staedtler-Logistics, into account. Staedtler-Logistics informs the customer in a timely manner of any additional services and any additional costs and expenses arising as a result thereof and will only render and invoice these services with the customer's explicit prior consent.

8.3 Source code

Software shall only be delivered in executable form (object code), unless otherwise agreed upon. In the event that Staedtler-Logistics delivers the source code in compliance with a separate agreement, the customer is granted a license to use the source code exclusively for the development of interfaces from other programs and deletion of program errors.

8.4 Modification and adjustment rights

The customer is entitled to execute changes and modifications of the programming for the deletion of errors and for the development of additional interfaces exclusively in line with the requirements and to the extent stipulated in §§ 69 d and e of the German Copyright Law.

8.5 Conveyance

In case of conveyance or transfer of programming and parameterization, the customer is obligated to hand over every copy to the buyer or recipient, and to delete all copies that are not transferred.

8.6 Backup copies

The customer is authorized and obligated to generate backup copies of every single programming and parameterization work step and to store them safely.

8.7 Protection of programming and parameterization

The customer is obligated to protect programming and parameterizations against unauthorized access by third parties.

8.8 Property rights of third parties

The customer must ensure that the software provided by himself within the framework of programmer services by Staedtler-Logistics as well as the defaults provided by himself do not lead to infringement of third party property rights.

9. Acceptance, in the case of a particular duty being owed

9.1 Specification (Detailed Concept)

The detailed concept stipulates the respective Staedtler-Logistics services for acceptance, the acceptance criteria and acceptance tests. Acceptance shall take no longer than four weeks, including testing.

9.2 Acceptance Protocol

Both parties, Staedtler-Logistics and the customer, are obligated to sign an acceptance protocol after the completion of the tests stipulated in the detailed concept.

9.3 Rectification

In the event that substantial deviations from the service description in the Detailed Concept or major defects of the work rendered by Staedtler-Logistics are detected, Staedtler-Logistics shall rectify these defects in adequate time. After the rectification of defects, the acceptance must be repeated. If Staedtler-Logistics' first rectification attempt fails, the customer is entitled to set a time limit for the rectification. Another acceptance test is carried out upon the expiry of the time limit at the latest.

10. Warranty, in the case of a particular duty being owed

10.1 Material defects and defects of title

Staedtler-Logistics delivers the respective, outstanding result (product) free of material defects or defects of title. A material defect is given if the result does not exhibit the contractual and customary characteristics or is not suitable for normal use.

10.2 Exclusion of defects liability

The execution of defects liability requires that the customer has not modified the result nor used it in an environment other than that in which use was intended. In the event that the customer has used or uses the product in combination with products not authorized by Staedtler-Logistics or has modified the product himself or had it modified by third parties, Staedtler-Logistics' defects liability is no longer applicable, except if the customer is able to prove that any errors that have occurred were not caused by such conduct and that Staedtler-Logistics' defect analysis and remedy is not thereby affected.

10.3 Statutory limitations of guarantee claims

The statutory limitations of guarantee claims begin with customer acceptance. The acceptance can, in accordance with legal requirements, be replaced by an expert opinion. Acceptance shall be deemed to be effected if a customer does not reject acceptance with specification of reasons within fourteen days of the provision of the result for acceptance by Staedtler-Logistics.

Guarantee claims expire regularly after a period of twelve months. In case of fraudulent intent and acceptance of a guarantee, statutory provisions apply.

10.4 Notification of defects

Defects detected by the customer must be clearly documented and reported immediately after their discovery to Staedtler-Logistics in written form.

10.5 Remedy

10.5.1 In case defects are reported to Staedtler-Logistics within the warranty period, Staedtler-Logistics shall remedy the defects either by correction or by reproduction. The remedy of defects may also be effected by providing the customer with instructions via telephone or written instructions via electronic data transfer or via data carriers containing the required correction software. In such cases, the customer is obligated to implement the instructions provided insofar as it can be considered reasonable that the customer enables electronic data transfer and imports the correction software immediately upon receipt.

Software-related bypassing is also regarded as a remedy of the defect, as long as the result remains suitable for normal use as defined by contract.

10.5.2 Staedtler-Logistics is entitled to commission third parties for rendering services. Staedtler-Logistics' responsibility for the protection of data and system security remains unaffected.

10.5.3 The customer bears additional costs and expenses arising from a performance delivered at a location other than the location stipulated in the Transfer of Software contract.

10.5.4 In the event that a defect reported by the customer cannot be traced back to a defect in the contractual product, Staedtler-Logistics shall be entitled to invoice any costs and expenses that incur for error analysis and remedy due to intent or gross negligence on the customer's part.

10.6 Other warranty claims

If Staedtler-Logistics fails to remedy the defect within the time limit set by the customer, the customer shall be entitled to

- a) remedy the defect himself and claim the costs and expenses that incur
- b) withdraw from the contract
- c) lower the purchase price

and to damage compensation instead of service or reimbursement of expenses incurred in vain. The statutory provisions apply.

10.7 Reimbursement for received benefits during rescission

In case of rescission, Staedtler-Logistics is entitled to claim a reasonable compensation for any benefit from the service on the customer's part until the rescission. The amount of compensation is calculated based on a four-year total usage period by deducting a discount according to the extent that the defect limited the use.

11. Other Provisions

11.1 Transfer of rights and duties

The transfer of rights and obligations stipulated in this contract is subject to the consent of Staedtler-Logistics.

11.2 Offsetting

The customer is only entitled to offset undisputed or legally determined claims.

11.3 Applicable law

This contract is subject to German law. UN Sales Law does not apply.

11.4 Place of jurisdiction

Place of jurisdiction is Nuremberg.

11.5 Written form requirement

Modifications and supplements to this contract must be agreed upon in written form. This also applies to this subsection of the contract.

11.6 Ineffective provisions and loopholes

If a provision or part thereof in this contract is or becomes fully or partially ineffective or invalid, the validity and effectiveness of any other term and condition stipulated therein remains unaffected. The same is also valid for loopholes. The ineffective or invalid provision shall be replaced by a new provision that comes as close as possible to the legal and economic content of what the contracting parties would have intended at the conclusion of the contract. Loopholes shall be treated in a similar manner.