

General Terms and Conditions of Business

1 Scope

- 1.1 These General Terms and Conditions govern the rights and obligations related to the rendering of ‚Werkleistungen‘ (according to German BGB §§ 631ff) and services between INSIDE M2M GmbH and the Client.
- 1.2 We recognize conflicting or deviating terms and conditions of the Client only if we expressly agree to their validity in writing.
- 1.3 Specifically negotiated individual agreements with the Client (including collateral agreements, supplements, and amendments) shall in all cases take precedence over these General Terms and Conditions. Subject to evidence to the contrary, a written contract or our written confirmation shall be authoritative for such agreements.

2. Subject matter of contract/implementation of contract

- 2.1 Rendering services
 - 2.1.1 INSIDE M2M GmbH undertakes to render the „Werkleistungen“ and/or services (hereinafter referred to as the “Services”) specified in the contract, order or proposal.
 - 2.1.2 INSIDE M2M GmbH shall render Services either by way of professionally qualified employees or, in the absence of provisions to the contrary in the contract, via qualified subprincipals. In this respect INSIDE M2M GmbH is under obligation to the Principal at all times.
 - 2.1.3 INSIDE M2M GmbH shall decide at its own discretion which professionally qualified employees and/or subprincipals are deployed.
 - 2.1.4 INSIDE M2M GmbH shall render the services with the greatest possible care and in accordance with the acknowledged level of technology. Insofar as the subject matter of the Services consists of compiling individual software, standard components, that are incorporated in the software, will be supplied in the object code and without technological system documentation.
 - 2.1.5 Insofar as the Principal’s requirements have not yet been specified or are not clearly stated in the available contract specification brief or performance description, or they have not yet been adequately specified, INSIDE M2M GmbH shall specify these subject to the remuneration specified in the contract with the Principal’s support, draw up a concept for the requirements and present these to the Principal for authorisation. The Principal shall provide written authorisation for the concept within ten „Werkleistungen“ days as from the surrender. Otherwise, the concept shall be deemed accepted in the absence of objections. The concept is a binding requirement for additional Services.
 - 2.1.6 If INSIDE M2M GmbH realises that the performance description is faulty or not coherent, INSIDE M2M GmbH shall inform the Principal of this without delay in writing. The Principal is to thereupon decide without delay on the action that is to be taken. If a decision is not taken without delay, the Principal shall be responsible for the additional costs resulting from the delay.
 - 2.1.7 INSIDE M2M reserves the right to withdraw from the contract if it becomes apparent after the order has been placed that the order cannot be carried out, cannot cover the costs or can only be carried out at unreasonably high expense.
- 2.2 Project timescale
 - 2.2.1 INSIDE M2M GmbH and the Principal may agree on a project timescale that is specified in the contract.
 - 2.2.2 As part of the project timescale, a presumable or fixed end service date may be specified in respect of the end of the services or creation of „Werkleistungen“.
 - 2.2.3 If the Services specified in the contract cannot be rendered on an agreed date for reasons that are the Principal’s responsibility, the date shall be postponed accordingly. Reasons that are the Principal’s responsibility shall be deemed given, in particular, if it does not properly honour its obligations to collaborate in accordance with sub-section 4.

2.3 Contact persons

- 2.3.1 Both parties shall each state in the contract a contact person and their respective deputies. These persons may make and bring about decisions without delay insofar as such action does not amend these Conditions. The overall responsibility is provided for in the contract.

2.4 Project discussions

- 2.4.1 To ensure that the Services are rendered successfully and on time, the project managers shall hold regular project meetings from the time at which the contract is signed up until conclusion of the Services.

- 2.4.2 The project meetings shall be held, in particular, in respect of the following topics:

Project status:

Description of the performance parts on which „Werkleistungen“ was performed during the period under review. Status of the performed „Werkleistungen“ and the test results that have been obtained and a juxtaposition of the target and actual situations if the timescales and/or the requirements in accordance with the performance description were not met.

Forecast:

Overview of the „Werkleistungen“ scheduled for next reporting period.

The outcome of the project discussion shall be recorded in a discussion report that is to be signed by both parties.

3 Service amendments

- 3.1 The Principal and INSIDE M2M GmbH may make a written request to the other contracting party for an amendment of the performance scope specified in the contract.
- 3.2 The recipient of the request for an amendment shall verify without delay whether and at which conditions the requested amendments can be implemented, and as a general rule shall inform the other party in writing of approval or rejection within ten workdays, and where applicable justify its reply. If the Principal's request for amendment requires a comprehensive review, such action shall be agreed upon separately. INSIDE M2M GmbH may request appropriate remuneration in respect of the review costs.
- 3.3 The recipient of a request for an amendment may only refuse such a request if implementing such a request is unacceptable, in particular in terms of cost and scheduling. The recipient of the request for an amendment may, insofar as the realisation of a request for an amendment has an effect on the contractual conditions, request an appropriate adjustment of the terms of contract, in particular the adjustment of remuneration and postponement of the dates.
- 3.4 The Principal and INSIDE M2M GmbH may agree that the Services affected by the request for an amendment be suspended up until the contractual agreements have been adjusted accordingly. The implementation periods shall be extended by the duration of the suspension. INSIDE M2M GmbH may request the agreed remuneration for the period of suspension and an appropriate increase in the agreed upper limit or an agreed fixed price insofar as the employees affected by the suspension cannot be deployed elsewhere. This is conditional on the timely written notification by INSIDE M2M GmbH in which the affected employees are to be offered to the Principal for the period of suspension to perform comparable activities.
- 3.5 If the scope of Services is amended or if an amendment applies to the performance brief or another document that has already been adopted, INSIDE M2M GmbH shall implement the amendment at the Principal's cost.

4 Obligation to collaborate on the part of the Principal

- 4.1 In the absence of agreements to the contrary, the Services shall be rendered at premises of INSIDE M2M GmbH.

- 4.2 The Principal undertakes to collaborate in respect of the rendering of services specified in the contract. The Principal's obligations to collaborate include, in particular, providing all the necessary information and documents in good time and in full; creating the necessary prerequisite conditions for rendering services at its company premises, in particular, IT and communications infrastructure, appropriate space and office services; and providing adequate specialist personnel to ensure that the scheduled services are rendered.
- 4.3 Additional obligations to collaborate may be agreed upon.

5 Acceptance in the case of "Werkleistungen"

- 5.1 If "Werkleistungen" are to be rendered, INSIDE M2M GmbH shall provide the Principal with written notification of the willingness to accept.
- 5.2 The Principal undertakes to declare an acceptance following a successful review of the „Werkleistungen" that have been rendered as per agreement. The review includes, in particular, reviewing the parts that are to be used at the end of the month, the end of the year or those that are merely used on occasion.
- 5.3 The acceptance is to be declared in writing and specified in an acceptance record. However, the unconditional use of the „Werkleistungen" (real operations) is to be equated with an acceptance. The acceptance shall be deemed declared if no notification has been provided in writing of any considerable errors following expiry of 20 workdays as from declaration of the willingness to accept by INSIDE M2M GmbH. INSIDE M2M GmbH shall refer to this period upon the declaration of willingness to accept.
- 5.4 The following Error Classes apply to the acceptance procedure:
- Error Class 1: use as per agreement is unacceptably restricted or excluded.
 - Error Class 2: use as per agreement is restricted. However, the acceptance procedure may be implemented.
 - Error Class 3: use as per agreement is not restricted by errors or is merely insignificantly restricted.
- 5.5 The Principal is entitled to reject the acceptance declaration if Class 1 errors apply. Class 2 errors shall be rectified where possible during the acceptance procedure. Variations of Class 2 and Class 3 errors shall not entitle the Principal to refuse the acceptance. INSIDE M2M GmbH shall rectify the errors remaining after acceptance as part of the warranty in accordance with sub-section 9 and in line with a timescale that the parties are to agree upon.
- 5.6 The above acceptance procedure also applies to partial services agreed upon in the contract.
- 5.7 If INSIDE M2M GmbH does not provide the agreed service features, for reasons for which it is responsible, within a period of reasonable length set by the Principal, the Principal may withdraw from the contract in full or in part. In such a case, the Principal shall pay the remuneration only for the parts of the rendered services that it can use.

6 Remuneration/terms of payment

- 6.1 The remuneration is specified in the contract.
- 6.2 The remuneration shall be agreed upon as a fixed price or as remuneration according to costs incurred.
- The cost is based on the number of advisor days or the dispatched material cost.
- One advisor day, calculated - in line with the qualification of the deployed employee - in accordance with the agreed daily rate - comprises eight working hours.
- 6.3 In addition, expenses incurred according to individual contractual agreements and travel costs shall apply. The remuneration shall be due according to the payment schedule, otherwise after provision of the service and invoicing. Expenses and travel costs are due upon accrual of the claim.

All remunerations are due upon receipt of the invoice. The Client shall be in default if the invoice amount is not received in INSIDE M2M GmbH's business account within 14 calendar days from receipt of the invoice. No prior reminder is required (Section 286 para. 2 German Civil Code (BGB)). Section 288 German Civil Code (BGB) (default interest) shall apply.

- 6.4 Setting off against INSIDE M2M GmbH's claims shall only be permitted by way of undisputed or res judicata claims.
- 6.5 The right to use the „Werkleistungen" in accordance with sub-section 7 shall pass to the Principal following payment in full of the remuneration to which INSIDE M2M GmbH is entitled.
- 6.6 Up until its claims have been settled in full, INSIDE M2M GmbH shall be entitled to exercise a right of retention in respect of the documents surrendered to INSIDE M2M GmbH. However, exercising such a right shall be deemed in breach of trust if the retention would be disproportionately damaging for the Principal and could not be justified in the interests of both parties.
- 6.7 All supplied goods, materials and EDP systems shall remain our property (reserved goods) until all our claims have been settled, even if payments are effected for specifically stated claims.

7 Utilisation rights/ inventions

7.1 Usage Rights to Work Results

The Client receives a simple (non-exclusive), unrestricted and perpetual right of use for the contractually intended purpose for the work results that are the subject of the contract. The Client is entitled to transfer, sublicense or otherwise pass on these usage rights to companies affiliated with it within the meaning of § 15 of the German Stock Corporation Act (AktG). For customer-specific developments, an exclusive right of use may be agreed upon in the individual contract.

INSIDE M2M GmbH remains entitled to use and further develop the concepts, methods, tools, components and libraries employed or developed by it during the provision of services for other projects. This right does not include customer-specific adaptations and content or data provided by the Client.

Standard software programs of INSIDE M2M GmbH, which are provided under separate software license agreements, are not subject to this right of use and are exclusively governed by the terms and conditions of the respective license agreement.

7.2 Inventions and Intellectual property Rights

The following applies to inventions and other protectable results (including copyrights, patents, utility models and know-how) that arise during and within the scope of service provision:

- Inventions by employees of the Client belong to the Client, and those by employees of INSIDE M2M GmbH belong to INSIDE M2M GmbH. For these inventions and for intellectual property rights granted for them, the parties, including their affiliated companies, grant each other a non-exclusive, irrevocable, worldwide and royalty-free license for the contractually intended purpose.
- Inventions jointly made by employees of both contracting parties, and intellectual property rights granted for them, belong jointly to both parties. Each contracting party has the right to grant licenses to third parties for such inventions or to transfer its rights, provided that the other party is informed thereof. There is no obligation for financial participation of the other party unless expressly agreed otherwise.

7.3 Open-Source-Software and Third Party Components

Soweit die Arbeitsergebnisse Open-Source-Software oder andere Drittkomponenten enthalten, gelten für diese ausschließlich die jeweiligen Lizenzbestimmungen.

8 Exemption in the case of violation of industrial proprietary rights

8.1 INSIDE M2M GmbH shall defend the Principal against claims that are justified in that the work results violate industrial proprietary rights, and it shall render the Principal exempt from such claims on condition that:

- The Principal provides written information of the claim within 30 days – or earlier insofar as this necessary in accordance with valid law,
- INSIDE M2M GmbH is reserved the right to carry out the legal defence and composition proceedings, and
- The Principal has provided INSIDE M2M GmbH with the information and support required for the legal defence and has issued INSIDE M2M GmbH with an appropriate power of attorney.

8.2 The exemption shall be excluded if the violation is attributable to work results that are no longer up-to-date or have changed and which the legal defence should have avoided insofar as the Principal had used an up-to-date and unchanged version of the work results that INSIDE M2M GmbH had made available. This is conditional on the fact that such use would have been acceptable to the Principal, in accordance with the facts, for the purpose of avoiding damage.

8.3 If the work results violate laws or INSIDE M2M GmbH regards these as violating laws, INSIDE M2M GmbH may at its own discretion and at its own cost:

- amend the work results such that they no longer violate laws, or
- provide the Principal with a license for further use of the work results.

If none of the possibilities is worthy of consideration at a reasonably acceptable cost, INSIDE M2M GmbH shall be entitled to reimburse the Principal for the remuneration paid for the work results. This sub-section ultimately provides for the entire scope of the exemption and the Principal's claims insofar as mandatory regulations or the valid limitations on liability stated in the contract specify otherwise.

8.4 The exemption shall be excluded if the Principal

- uses a job result that has not been cleared by INSIDE M2M GmbH, or
- has altered the job result, or
- replaces the job result with programs that have not been licensed by INSIDE M2M GmbH, or uses these at conditions of use other than those as per agreement, unless the violation would have occurred irrespective of the existence of these Conditions.

8.5 Only the Principal shall be liable for the legal surrender and /or use of programs and/or documents that the Principal has forwarded to INSIDE M2M GmbH. INSIDE M2M GmbH is not under obligation to verify the legality of use. If third-parties lodge claims against INSIDE M2M GmbH, aimed at bringing about a prohibitive injunction or for compensatory damages, due to the surrender or use of such programs and/or documents, the Principal shall render INSIDE M2M GmbH exempt from all such claims.

9 Warranty in the case of "Werkleistungen"

9.1 INSIDE M2M GmbH guarantees that the accepted „Werkleistungen“ correspond with the agreed performance description and do not contain errors that render their suitability useless or considerably restrict them.

9.2 The Principal's warranty claims do not apply to „Werkleistungen“ that the Principal alters or which the Principal does not use in the system environment as per agreement unless the Principal furnishes proof that such use is not the cause of the defect for which notification has been provided.

No guarantee shall be provided, in particular, in the following cases: unsuitable or improper use; faulty assembly or commissioning by the Principal or third parties; natural wear-and-tear; faulty or negligent treatment; improper maintenance; inappropriate operating resources; chemical, electro-chemical or electrical influences insofar as they are not INSIDE M2M GmbH's responsibility. Furthermore, the reproducibility or ability to determine the error are prerequisite conditions for the warranty claims.

- 9.3 The Principal shall support INSIDE M2M GmbH, to an extent that is acceptable, in rectifying errors in particular at INSIDE M2M GmbH's request forward a data carrier with the respective program and provide „*Werkleistungen*“ materials. Insofar as the matter in question applies to the software design, INSIDE M2M GmbH shall rectify the error, depending on its significance, either by supplying an improved software version or by reference as to how to rectify the error or by bypassing the effects of the error.
- 9.4 INSIDE M2M GmbH undertakes to rectify errors that have a considerable detrimental effect on the suitability of the „*Werkleistungen*“ and for which the Principal has provided written confirmation, in a reasonable time and in a coherent form.
- 9.5 If an error is not rectified within a reasonable period, the Principal may set a period of reasonable length in which the error is to be rectified. If the errors cannot be rectified after expiry of the reasonable period that has been set, the Principal may request a reduction of the remuneration or, if the value or the suitability of the „*Werkleistungen*“ is considerably impaired, the Principal may request that the contract be rescinded.
- 9.6 The warranty shall end as part of the statutory provisions. This also applies to all supplied goods, materials and EDP systems.
- 9.7 INSIDE M2M GmbH may request remuneration for its costs insofar as it has acted on the basis of notification of a defect although no defect applies.

10 Liability

- 10.1 INSIDE M2M GmbH is liable, irrespective for whichever reason, for damage caused intentionally or as a result of gross negligence, for expressly warranted characteristics and in the case of defects that it maliciously conceals or if it has guaranteed that such defects do not apply. It is also liable in accordance with the German Product Liability Act.
- 10.2 In the case of data loss, INSIDE M2M GmbH shall only be liable for the reconstruction costs that are necessary if security copies are available. The Principal is responsible for making security copies.
- 10.3 In the event of default, INSIDE M2M GmbH shall be liable for the proven damage, which is solely INSIDE M2M GmbH's responsibility. Compensation in this respect is limited in terms of money to 0.5% of the remuneration, at most, however, 5% of the remuneration of the respective parts of the service, for each full week in which the default applies, that are not completed in good time.

11 Obligation to maintain secrecy / data protection

- 11.1 The contracting parties undertake to maintain secrecy regarding all the business, technical and academic know-how or business and company secrets of which they gain knowledge as part of implementing the contract whereby such know-how or business and company secrets are stated or clearly identifiable as such.

The obligation to maintain secrecy does not apply to ideas, concepts, know-how and techniques or to data with which the parties were already familiar or were known outside the contractual relationship.

Forwarding to third parties that are not involved in implementing the contract is only permitted following written approval by the respective other party.

- 11.2 INSIDE M2M GmbH is authorised, as part of the intended use of the individual contract, to process or have third parties process the personal data entrusted to INSIDE M2M GmbH with due regard to the data protection regulations.
- 11.3 INSIDE M2M GmbH is entitled to include the Principal's name in a reference list. All other references to the Principal as a customer are to be agreed upon with the Principal.

12 Returning documents

- 12.1 Once all its claims resulting from the contractual relationship have been settled, INSIDE M2M GmbH is, at the Principal's request, to surrender all documents that the Principal or a third party has forwarded to INSIDE M2M GmbH in conjunction with this contract. This does not apply to correspondence between the parties or simple copies of reports, organisational plans, drawings, lists and calculations etc. made during the course of the contract insofar as the Principal has been provided with the original copies.
- 12.2 The obligation on the part of INSIDE M2M GmbH to store the documents shall expire six months after delivery of the written request to the Principal to collect, in other respects three years, in the case of documents retained in accordance with sub-section 6.6 five years after the contractual relationship has ended.
- 12.3 The Principal is not entitled to exercise any right of retention in respect of the accessories, programs and the like provided during the project by INSIDE M2M GmbH that are not part of the scope of services.

13 Termination

- 13.1 If the Principal fails to honour an obligation to collaborate irrespective of a reminder and a period of time set in that respect, INSIDE M2M GmbH shall be entitled to terminate the contract without notice. Irrespective of this right to terminate, INSIDE M2M GmbH shall be entitled to compensation of the damage or additional expenses incurred as a result of the failure to collaborate.

14 Miscellaneous

- 14.1 Rights resulting from the contractual relationship may only be assigned following prior, written, approval by INSIDE M2M GmbH.
- 14.2 INSIDE M2M GmbH shall render services and provide technical support separate from program licenses. Customers may acquire program licenses without services.
- 14.3 The law of the Federal Republic of Germany is deemed applicable. The United Nations Convention on the International Sale of Goods (C.I.S.G.) is excluded.
- 14.4 Hannover is deemed the place of jurisdiction for disputes resulting from this contract.
- 14.5 The Principal undertakes to abide by the provisions and regulations of the USA Export Administration Act and the pertinent German export provisions ("Export Acts") and ensures that neither the programs / work results including technical data nor direct products are directly or indirectly exported by way of a violation of the Export Acts or are used for a purpose prohibited by the Export Acts, in particular in respect of the dissemination of nuclear weapons or chemical or biological weapons. This obligation also applies once the respective contract has been honoured.

15 Written form

- 15.1 Amendments and supplementary information are subject to the written form and must be stated as such. Oral subsidiary agreements have not been entered into.