

## 1. Definitions

- 1.1. "Buyer" means purchaser of Frequentis Comsoft GmbH supplies and services under the corresponding Order.
- 1.2. "Documentation" means the System documentation to be provided by Frequentis Comsoft GmbH to Buyer in accordance with the Order and shall be in the English language.
- 1.3. "End-user" means the operator of the System.
- 1.4. "Frequentis Comsoft GmbH" means FREQUENTIS COMSOFT GmbH, Wachhausstr. 5a, 76227 Karlsruhe, Germany and its subsidiaries, affiliates and controlled companies.
- 1.5. "Hardware" means all components of hardware equipment to be delivered.
- 1.6. "Offer" means quotation, proposal or bid placed by Frequentis Comsoft GmbH together with all its attachments, presented to Buyer offering the performance of the Work.
- 1.7. "Order" means the purchase order placed by Buyer and accepted by Frequentis Comsoft GmbH; the Order shall make reference to the respective Frequentis Comsoft GmbH Offer and to any agreed deviations to it. Such Offer including all its attachments, in particular these General Provisions, shall be an integral part of the Order.
- 1.8. "Party" means individually Frequentis Comsoft GmbH or the Buyer; jointly are referred to as "the Parties".
- 1.9. „Software“ means the object code version of the software to be delivered to the Buyer, the Software documentation and the firmware.
- 1.10. "Statement of Work" means the conditions, standards and procedures related to the performance of the Work and to be implemented by Frequentis Comsoft GmbH and/or the Buyer as described more in detail in the Offer or its attachments.
- 1.11. "System" means the Hardware and Software integrated together and delivered under the Order.
- 1.12. "Technical Specifications" means the System specification and the Statement of Work negotiated and mutually agreed under the Order, if any, and the Product Description last delivered by Frequentis Comsoft GmbH to Buyer as part of its offer.
- 1.13. "Work" means all Hardware, Software and services or parts thereof to be supplied by Frequentis Comsoft GmbH to Buyer according to the Order.

## 2. Order and Work

- 2.1. The Order placed by Buyer to Frequentis Comsoft GmbH requires the written acceptance by Frequentis Comsoft GmbH to come into force and shall, among others, specify the price, the payment terms and the delivery time and list all documents that are applicable to the Order indicating their order of precedence. Unless otherwise agreed, the special terms and conditions set forth in the Order shall have precedence over the Offer, the Technical Specifications and these General Provisions. The negotiated and finally agreed changes between Frequentis Comsoft GmbH and Buyer shall prevail to Buyer's tender conditions and tender specifications. Any standard conditions of Buyer are not applicable.
- 2.2. Unless explicitly stated otherwise, the Software is not sold but licensed to Buyer in accordance with the terms below.
- 2.3. The Work shall be state of the art at the time the Order comes into force. Frequentis Comsoft GmbH shall adhere to its quality standards and to its standard documents, procedures, and working practices in the performance of the Work.

## 3. Factory Acceptance Test (FAT)

- 3.1. A System FAT will be performed in accordance with the Statement of Work. The successful FAT will be evidenced by the evaluated Frequentis Comsoft GmbH FAT reports. Upon a successful FAT, Frequentis Comsoft GmbH will issue and duly sign a Factory Acceptance Certificate (FAC) which shall constitute full evidence of FAT and the right of Frequentis Comsoft GmbH to ship the equipment.

## 4. Delivery, Force Majeure, Risk and Title

- 4.1. The Work shall be executed in accordance with the agreed time schedule set forth in the Order. Timely performance by Frequentis Comsoft GmbH is conditional upon timely fulfilment of Buyer's obligations set forth in the Order, including the provision of all items, documents and approvals to be furnished by Buyer in accordance with the Offer, including any documents necessary for shipment, official permits to have the System supplied, if any, and the services rendered and observance of the terms of payment.
- 4.2. Shipping and delivery terms shall be FCA (Free Carrier) Karlsruhe, according to INCOTERMS 2010.

- 4.3. Where cases of force majeure impede Frequentis Comsoft GmbH to deliver as scheduled or to fulfil any other obligation under the Order, the time for such delivery or obligation shall be extended adequately. Cases of force majeure are such as, but not limited to, Acts of God, armed conflicts, terrorist acts, riots, labour or industry disputes, embargoes, Government or judicial interventions and prohibitions including rejection of permits, energy or raw material shortages and force majeure of a subcontractor. The affected Party shall keep the other Party informed of and during a force majeure case.
- 4.4. Risk of loss or damage shall be transferred to Buyer according to the agreed INCOTERMS. Title to the Work shall pass upon payment of the full price.
- 4.5. A delay occurs, if the agreed milestone for shipment is exceeded. In the event a delay is solely attributable to Frequentis Comsoft GmbH, Buyer may claim liquidated damages, provided he has suffered damage due to such delay. The liquidated damages shall be calculated from the purchase price of that part of the System which was not ready for shipment at the agreed time and the calculation rate shall be 0.5 % (zero point five percent) of such price for every completed week of delay of shipping up to a maximum total of 5 % (five percent) for all events of delay under the Order. As far as permitted by the applicable law, assertion of any other rights or claims for losses or damages exceeding the foregoing are precluded.
- 4.6. In the event of non-performance by Buyer of one or more of its obligations under the Order, Frequentis Comsoft GmbH is entitled, in addition to any other rights and remedies granted under the Order or by law, to suspend delivery of the Work and charge Buyer for direct costs arising from such non-performance, including any litigation and reasonable attorney expenses.
- 4.7. The Order and the deliveries thereunder are subject to the grant of the necessary export licenses. Frequentis Comsoft GmbH will use all reasonable endeavours to have such licenses issued and the customer shall upon request of Frequentis Comsoft GmbH promptly provide the necessary documents. Frequentis Comsoft GmbH rejects any responsibility or liability if a needed license cannot be obtained. The delivery periods stated in the Offer/Order shall start upon the grant of all necessary export licenses. Any re-export of the supplies need the prior written approval of Frequentis Comsoft GmbH. Unless otherwise expressly agreed, the System shall not be re-exported to a third country other than the one stated in the Offer.

## **5. Site preparation, installation and Site Acceptance Test (SAT)**

- 5.1. Unless otherwise specified, Buyer shall prepare the site and install the System in accordance with the Frequentis Comsoft GmbH descriptions as set forth in the Offer or its documentation. Frequentis Comsoft GmbH shall be entitled to check the site preparation and the System installation at start of its commissioning activities. In case of discrepancies, Frequentis Comsoft GmbH will inform Buyer and Buyer shall perform the corresponding corrections at his expense without delay.
- 5.2. Frequentis Comsoft GmbH shall carry out supervision of the installation and commissioning of the System in preparation of SAT with assistance of Buyer as described in the Offer.
- 5.3. SAT will be performed by the Buyer and witnessed by Frequentis Comsoft GmbH in accordance with the Statement of Work and shall start immediately after commissioning. Marginal and Negligible Failures shall not entitle Buyer to reject SAT. Such Failures will be mentioned in the SAT report and shall be corrected by Frequentis Comsoft GmbH under the warranty conditions during the warranty period. Catastrophic and Critical Failures will be corrected by Frequentis Comsoft GmbH at its expense before SAT is considered successful, unless otherwise agreed.
- 5.4. Upon successful completion of SAT as evidenced in the evaluated Frequentis Comsoft GmbH SAT reports, Frequentis Comsoft GmbH and Buyer shall sign a Site Acceptance Certificate (SAC) by their duly authorised representatives at the date of completion of SAT, which certificate shall represent final acceptance of the System and start of the warranty period. Buyer has no right whatsoever to take the System into operational use before signature of the Site Acceptance Certificate.

## **6. Price and Payments**

- 6.1. The contractual price for the Work, the currency for payment and the payment milestones are specified in the Order. When nothing has been agreed in the Order, the currency shall be in EURO.
- 6.2. All prices are based on the agreed INCOTERM and are net of any set-off, counterclaim, offset or withholding of any type. Any taxes, levies, fees, royalties, duties or other charges that may be imposed outside of Germany are not included in the price and will be paid by Buyer when due. In cases of withholding tax only such amount is payable by Frequentis Comsoft GmbH which can be reimbursed from German authorities in accordance with an existing double-taxation agreement. In case of any withholding tax, an appropriate solution shall be agreed to minimise the impact of such withholding tax to Frequentis Comsoft GmbH. Buyer shall notify Frequentis Comsoft GmbH as soon as it is aware that such tax may be applied and shall support Frequentis Comsoft GmbH with all reasonable data to be provided to the corresponding authorities, including proof of payment of such withholding tax.
- 6.3. Costs of applying to the Work any standards, regulations, technical requirements, special documentation or any specific type approvals in Buyer's country, other than the ones explicitly mentioned in the Technical Specifications or the Offer are not included in the price.

- 6.4. Unless otherwise provided in the Order, the payments shall be effected as follows: i) 30% of the total Order value as down payment upon acceptance by Frequentis Comsoft GmbH of such Order and payable immediately from the issuing date of the invoice; ii) 60% of the total Order value upon completion of the Factory Acceptance Test (FAT); and iii) 10% of the total Order value upon completion of the Site Acceptance Test (SAT). All payments other than the down payment shall be made out of a Letter of Credit (L/C) as defined herein below, within 14 calendar days after presentation of the applicable documents to the bank. Each Party shall bear the bank fees applied in its country.
- 6.5. Letter of Credit (L/C)
- 6.5.1. Within 30 days after execution of the Order Buyer shall establish an irrevocable and unconditional letter of credit (L/C) in favour of Frequentis Comsoft GmbH and in the amount of the contractual price for the Work less advance payment. Such L/C shall be opened at a bank acceptable to Frequentis Comsoft GmbH, and shall allow confirmation. The Buyer shall instruct its bank to use as the advising and beneficiary's bank the bank nominated by Frequentis Comsoft GmbH, with no other bank in between. The validity of the L/C shall exceed the last payment milestone by 2 (two) months and in case of postponement of such milestone its term shall be extended by Buyer at its expense without delay.
- 6.5.2. The final wording of the L/C and the documents to be presented shall be agreed in time before establishing the L/C between Buyer, Frequentis Comsoft GmbH and the banks involved, otherwise Buyer shall bear all bank fees levied due to changes. Unless otherwise stated in the Order, the documents to be presented to the bank for payment are as follows: i) for payment at FAT, the invoice and FAT certificate duly signed; ii) for payment at SAT, the invoice and the SAT certificate duly signed.
- 6.6. If Buyer fails to meet the terms of payment for reasons not attributable to Frequentis Comsoft GmbH, Frequentis Comsoft GmbH is entitled, without prejudice to any other rights granted herein or at law, to charge Buyer for the overdue interest at the rate and conditions as applicable in the statutory law of Frequentis Comsoft GmbH country of registration.

## 7. Changes to the Work

- 7.1. The Buyer may at any time during the Order request a change to the Work. If the change is acceptable to Frequentis Comsoft GmbH, Frequentis Comsoft GmbH shall state in writing the effect on the implementation of the Work, the prices, and the time schedule. Any change to the Work shall be made in writing and signed by the parties. Changes shall not invalidate or alter the Order, except as stated in the signed amendments to the Order.
- 7.2. Frequentis Comsoft GmbH reserves the right to make changes to the Work without Buyer's prior approval, provided that the price, delivery time, functionality and the performance of the System are not affected adversely thereby.

## 8. Warranty

- 8.1. Frequentis Comsoft GmbH warrants that the Work will conform to the Technical Specifications of the Order and is free from defects in material, workmanship and design under conditions of normal use for a period of twelve (12) months from the date of the signed Site Acceptance Certificate or 18 (eighteen) months after signature of the Factory Acceptance Certificate, whichever occurs first. For consumables and wear and tear components (such as keyboards, microphones, headsets, handsets, foot switches) the period is six (6) months.
- 8.2. Should the System fail to be free from defects in materials or workmanship or fail to operate substantially in accordance with the Technical Specifications during the warranty period, Frequentis Comsoft GmbH, at its sole discretion, will repair or replace the defective part or component of the System at no charge thereof. Replaced parts or components will become the property of Frequentis Comsoft GmbH.
- 8.3. Buyer shall send at its own cost the defective part or component to Frequentis Comsoft GmbH' designated facility and Frequentis Comsoft GmbH will return at its own cost the repaired or replaced part or component to Buyer's site. All other warranty procedures are in accordance with the applicable Frequentis Comsoft GmbH warranty policy.
- 8.4. The abovementioned warranty conditions will not apply in case of failure resulting from natural wear and tear, Buyer Furnished Equipment, faulty or negligent handling by Buyer or third party, unsuitable materials for operation, influences as are customarily not associated with the use of electronic equipment, unauthorised alterations or changes to the System carried out by Buyer or a third party, combination with software or hardware not supplied or approved by Frequentis Comsoft GmbH, or resulting from not maintainingand/or operating the System in accordance with the then applicable Frequentis Comsoft GmbH Documentation.
- 8.5. Software warranty shall be implemented, at Frequentis Comsoft GmbH discretion, either by remote login or on site, if necessary. Corrections of Software failures by Frequentis Comsoft GmbH shall be performed within a reasonable time, taking into account the impact of the failure. With the exception of Catastrophic and Critical Failures, Software failures have to be reproducible in order to be covered under warranty.
- 8.6. The warranty period applicable for replaced or repaired parts will be the warranty period still remaining from the original part that has been replaced or repaired.

- 8.7. As far as permitted by the applicable law, the warranty coverage and remedies set forth herein are exclusive and in lieu of any and all other condition, representation, remedy and warranty whether express, implied (including of merchantability and fitness for a particular purpose), statutory or otherwise.

## 9. General Supply of Spare Parts

- 9.1. Frequentis Comsoft GmbH is committed to deliver Frequentis Comsoft GmbH proprietary spare parts for the System during 10 (ten) years, beginning from the date of the Order and will take its best endeavours to supply adequate spare parts from its suppliers. If during such period Frequentis Comsoft GmbH stops the production of spare parts, Frequentis Comsoft GmbH shall a) inform Buyer and b) grant to Buyer the possibility to purchase such spare parts in advance and c) provide to Buyer, if necessary, such other solution acceptable to both parties which keeps the System(s) fully operational.

## 10. Liability

- 10.1. Frequentis Comsoft GmbH shall be liable for injury to persons, including death, and for direct damage to equipment of property of third parties in accordance with the applicable law, if caused by Frequentis Comsoft GmbH, its personnel and/or its subcontractor(s) engaged in carrying out the Order.
- 10.2. Notwithstanding Section 10.1 above, Frequentis Comsoft GmbH shall be liable to the Buyer for direct damages to Buyer's property which arise from the performance or non-performance of its duties and obligations under the Order, provided that the aggregate amount of all damages payable by Frequentis Comsoft GmbH to the Buyer shall not exceed an amount of 5% (five percent) of the total contractual price for the Work under the Order per incident and is limited to a total amount of 20 % (twenty percent) of said price for all incidents in aggregate, except in case of gross negligence or wilful act of Frequentis Comsoft GmbH, its personnel, subcontractors and/or representatives or where imposed by law.
- 10.3. In any event, Frequentis Comsoft GmbH shall not be liable for loss of profit, loss of production, loss of information or data, or any indirect or consequential damages or losses.
- 10.4. As far as permitted by the applicable law, this Section 10 represents the entire liability of Frequentis Comsoft GmbH under or in connection with the Order and shall apply before and after termination or expiration of the Order.

## 11. Intellectual Property

- 11.1. All intellectual property rights, including but not limited to the right to patent, copyright, trademarks and design rights in the Hardware, Software and/or Documentation arising and created under or in connection with the Order shall remain at all times vested in Frequentis Comsoft GmbH and/or its suppliers and licensors.

## 12. Software Licenses

- 12.1. Frequentis Comsoft GmbH hereby grants to Buyer a non-exclusive, non-transferable license valid during the operating life of the System to load, execute, store, transmit, display, copy (for the purposes of loading, execution, storage, transmission or display) or otherwise to utilize the Software and the Documentation for purposes of conducting the Buyer's business excluding any commercial exploitation of the Software ("Use"). Such right of Use shall not include the right to reverse assemble, reverse compile, decode, modify, adapt, enhance or otherwise translate the Frequentis Comsoft GmbH software, embedded code, firmware and the third party software.
- 12.2. The Use shall be in accordance with the specified number of users and location/server/computer stations as indicated in the Offer Buyer is entitled to make one (1) copy of the Software and Software documentation for back-up/security purposes only. The terms of the Order also apply to such copy.
- 12.3. This license shall not be construed or interpreted as giving to Buyer any proprietary rights in the Software or the Documentation. The Software and Documentation are copyrighted by Frequentis Comsoft GmbH or third party licensors. Unless otherwise agreed in writing, Buyer shall not copy, permit to be copied, translate, disclose or commercialise in any way the Software or the Documentation.
- 12.4. The right to use the third party Software is subject to the conditions stipulated by such third parties and to be transferred further by Frequentis Comsoft GmbH.
- 12.5. The Software is delivered in object code and will not be delivered in source code (in full or in part) or in other materials from which the source code can be derived.
- 12.6. In the event that the license is terminated, Buyer agrees to remove without delay all Software from its machines and return it together with the Documentation at its cost to Frequentis Comsoft GmbH. In addition, it shall destroy the back-up/security copy and any information relating to the Software and notify in writing Frequentis Comsoft GmbH that such return and destruction are complete.



### 13. Infringement of Patents, Design and other Rights

- 13.1. Subject to Section 10 hereof, Frequentis Comsoft GmbH shall fully indemnify the Buyer against all actions, claims, demands, proceedings, damages, costs, charges and expenses arising from or incurred by reason of any infringement or alleged infringement of intellectual property rights by the normal use or possession of the Work, provided that the Buyer (i) promptly notifies Frequentis Comsoft GmbH in writing of any infringement of which he has notice; (ii) does not make any admission without Frequentis Comsoft GmbH' consent; and (iii) allows Frequentis Comsoft GmbH upon its request and at its expense to conduct and/or settle all negotiations and litigation, giving Frequentis Comsoft GmbH all reasonable assistance.
- 13.2. This indemnity shall not apply where infringement or alleged infringement arises due to the Buyer's use of the Work with equipment or material not approved or provided by Frequentis Comsoft GmbH or due to a modification of or alteration to the Work carried out without Frequentis Comsoft GmbH prior written consent.
- 13.3. If at any time any allegation or infringement of letters patent, registered design, copyright or other intellectual property rights is made in respect of any parts provided or for modifications made to the System, Frequentis Comsoft GmbH shall at its own expense and at its discretion (i) either modify or replace such infringing portions of the Work to make them non-infringing, without detracting from the overall performance of the System; or (ii) procure to Buyer the right to continue using the Work containing such infringing portions.

### 14. Termination

- 14.1. Either Party may terminate the Order in whole or in part upon occurrence of any of the following events:
- a) material breach of the Order by the other Party and, if such material breach is capable of remedy and the other Party has failed to remedy it within thirty (30) days of written notice (specifying the material breach and requiring its remedy); or upon such notice, if the material breach is not capable of remedy; or
- b) in case of the other Party entering into administration order, bankruptcy, liquidation or receivership proceedings, upon receipt of the written notification of such event.
- 14.1.1. In the event of termination by Buyer under the conditions set forth in Section 14.1 herein, Buyer shall at its option, either (i) pay the contractually corresponding prices for the Work terminated and delivered before termination, or (ii) return such Work to Frequentis Comsoft GmbH. Frequentis Comsoft GmbH shall refund all payments received for Work not kept by Buyer. In addition, Buyer may request Frequentis Comsoft GmbH to be compensated for any incurred direct costs due to such termination, subject to Section 10 herein.
- 14.1.2. In the event of termination by Frequentis Comsoft GmbH under the conditions set forth in Section 14.1 herein, Frequentis Comsoft GmbH shall be entitled at its option, either to (i) receive from Buyer the contractual price of the Work already delivered, plus all incurred direct costs of Frequentis Comsoft GmbH and its subcontractors related to undelivered Work at the time of such termination plus an adequate amount of profit thereupon; or (ii) require Buyer to return all or parts of the Work delivered, and refund Buyer the payments received for such Work. In addition, Frequentis Comsoft GmbH may request Buyer to be compensated for any incurred direct costs due to such termination.
- 14.2. Either Party may terminate the Order in whole or in part, due to a force majeure case which effects last longer than ninety (90) days, subject to a thirty (30) day written notice, unless the effects of the force majeure case disappear within such 30-day period. In case of such termination, Buyer shall pay to Frequentis Comsoft GmbH the contractual price for Work completed as well as the costs incurred for Work uncompleted at the time of termination, and Frequentis Comsoft GmbH shall deliver to Buyer upon request any Work so paid for.

### 15. Law and Jurisdiction

- 15.1. The Order shall be governed and construed in accordance with the substantive Law of Austria without reference to any other laws and is subject to the exclusive jurisdiction of the competent court at Frequentis Comsoft GmbH address. The application of the UN Convention on Agreements for the International Sale of Goods is excluded.

### 16. Miscellaneous

- 16.1. The Order shall constitute the entire agreement and understanding between the parties and contain all covenants, stipulations and provisions agreed upon by the parties on the subject matter thereof, and shall supersede all prior proposals, agreements and negotiations, whether written or oral, relating to such subject. Any amendments to the Order shall be effective only if made in writing and countersigned by the authorised representative of each Party.
- 16.2. If a provision of the Order is unlawful or not enforceable, the validity of the remaining Order shall not be affected thereby and the Parties shall substitute the stipulation concerned by another stipulation considered to be largely equivalent in purpose.
- 16.3. The Order shall bind and inure to the respective parties and their legal successors and agreed assigns. Except for the foregoing, the rights and obligations contained herein can not be assigned to a third party without a written approval of the other Party.

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