

General Terms and Conditions (GTC) Version: 08/2026

of Palette CAD AG, Stuttgart HRB 785686 (hereinafter “Palette”)

1. Scope of Application

1.1 These GTC apply exclusively to entrepreneurs within the meaning of Section 14 German Civil Code (BGB), legal entities under public law, and special funds under public law.

1.2 Deliveries and services provided by Palette shall be rendered exclusively on the basis of these GTC. They shall also apply to all future business relationships with the customer, even if they are not expressly agreed again. These conditions shall be deemed accepted at the latest upon delivery of the goods or provision of the services. Conflicting or supplementary business or purchasing conditions of the customer are hereby rejected; they shall only become part of the contract if Palette expressly agrees to their validity in text form.

1.3 Palette is entitled to amend these GTC for ongoing continuing obligations (in particular service agreements, cloud/SaaS agreements, and rental agreements) with effect for the future for objectively justified reasons. Such reasons include, in particular, changes in legislation or case law, regulatory requirements, changes in market and cost conditions, technical developments, or adjustments to the range of services offered. Palette shall inform the customer in text form (in particular by email) at least six weeks before the planned effective date of the amendments and shall expressly point out the customer's right to object and the consequences of failing to object. The customer may object to the amendments within six weeks after receipt of the notification. If no objection is made, the amended GTC shall be deemed agreed after expiry of the objection period. Amendments to the primary performance obligations of the parties and amendments that materially shift the balance between performance and consideration to the disadvantage of the customer are excluded from this amendment right and require an express individual agreement.

2. Subject Matter of the Contract, Provision and Rights of Use

2.1 Palette grants the customer the right to use the software specified in the quotation or order (“Contractual software”) in object code form together with user information (e.g. operating manual, online help) with the functionality described therein. The Contractual software may consist of executable programs and/or data (e.g. catalogues). Parts of the Contractual software may only be usable if the customer has acquired the corresponding modules or data packages.

2.2 Depending on the agreement, the Contractual software may be provided to the customer: (a) for installation in the customer's own IT environment (“On-Premises Licence”), (b) as a SaaS solution provided via the internet through an online service operated by Palette (“Palette Cloud Computing”), and/or (c) within the framework of a rental model. The respective individual agreement shall prevail.

2.3 For On-Premises Licences, Palette grants the customer a simple, non-exclusive, non-transferable right to use the Contractual software in unchanged form on the devices specified in the contract or for the number of users designated therein. Unless otherwise agreed, the right of use shall be granted for an unlimited period.

2.4 When used as a SaaS/cloud solution (Palette Cloud Computing), Palette additionally grants the customer, for the duration of the respective contract, the simple, non-transferable right to access the Contractual software via an internet connection and to use it as intended through the Palette Cloud. If local installation is required for use of the Contractual software, the customer

shall receive access via the Palette Portal to an appropriate installation file (e.g. installation executable), which must be executed for use. No further copies of the software shall be provided. Section 7 shall additionally apply.

2.5 In rental models, Palette grants the customer the right of use described in Section 2.3 only for the duration of the rental agreement. Section 8 shall additionally apply.

2.6 Only the users specified in the contract (e.g. named users or a specified number of concurrent users/instances) are authorised to use the Contractual software. In the case of online licences, only the licensed user may use the user interface. Subletting, lending, sublicensing, or any other transfer of the Contractual software to third parties is not permitted without Palette's prior express consent in text form.

2.7 The customer may only use the Contractual software within the contractually agreed scope. If the customer uses the Contractual software beyond the agreed scope (e.g. exceeding the agreed number of users, workstations, or instances), Palette shall be entitled to invoice the customer retrospectively for the licence fees incurred for the additional use in accordance with the price lists valid at the time of the excess use. In the event of intentional or grossly negligent excessive use, Palette shall additionally be entitled to demand an appropriate contractual penalty. The customer reserves the right to prove that Palette has suffered no damage or substantially less damage.

2.8 The operating manual may be provided as online help, as an accompanying text file, or in another suitable electronic form.

2.9 Palette is entitled to use subcontractors for the performance of its contractual obligations.

2.10 Palette may provide the customer with the Contractual software on a trial basis (“Demo Version”). A Demo Version is intended solely for testing and is not suitable for productive use. The scope, duration, and any remuneration for the Demo Version shall be determined by Palette at its own discretion unless otherwise agreed separately with the customer. These GTC shall apply accordingly to Demo Versions unless expressly agreed otherwise.

3. Intellectual Property, Data

3.1 The Contractual software is protected by copyright and, where applicable, by additional intellectual property rights (e.g. trade mark, design, or patent rights). Any modification or adaptation of the Contractual software, as well as any reproduction beyond contractual use, is prohibited unless required for intended use, error correction, or mandatory statutory provisions. Unauthorised exploitation and violations of technical protection measures may result in criminal penalties, including fines or imprisonment.

3.2 The customer is not entitled to reverse engineer, decompile, or convert the Contractual software into other programming languages or data formats unless such actions are permitted under Section 69e German Copyright Act (UrhG) or other mandatory statutory provisions. Mandatory statutory rights of the customer remain unaffected.

3.3 If Palette provides the customer with functions or interfaces for converting data into other data formats, all rights to the source data and the converted data generated therefrom shall remain with the customer. Palette receives a simple, non-exclusive, non-transferable right to use such data to the extent necessary for the provision of contractual services (in particular hosting, support, error analysis) as well as for the maintenance and further development of Palette products, provided no statutory or contractual confidentiality or data protection obligations prevent this.

3.4 Palette reserves all rights to documents, in particular technical documents, product descriptions, drawings, concepts, specifications, and interface information. Such documents may only be made accessible to third parties with Palette's prior consent in text form and must be returned immediately upon Palette's request if the order is not placed or is subsequently cancelled.

3.5 Where Palette creates individual customisations, developments, or catalogueues on behalf of the customer, Palette shall be entitled to use the general concepts, ideas, procedures, methods, and non-customer-specific content created in this context, in whole or in part, free of charge for its own purposes and for other customers, unless expressly agreed otherwise. Customer-specific data and the customer's trade secrets are excluded from this provision.

3.6 The customer is entitled to create a backup copy of the Contractual software insofar as this is necessary to ensure contractual use.

3.7 The customer may only use rights to third-party data, for example from manufacturers of objects managed within the Contractual software or from catalogueues of such objects accessible via the internet, to the extent the respective third party authorizes such use. Palette generally grants a simple, non-transferable right to use such data for displaying planning results with the Contractual software unless separate terms of use of such third parties are communicated. Palette shall be entitled to restrict or terminate the right of use at any time, especially if the third party does not consent to the use.

4. Prices, Payment Terms, Default of Payment, Cancellation

4.1 All prices are ex works Palette's registered office plus the applicable statutory VAT unless expressly stated otherwise.

4.2 Invoices are generally issued electronically (in particular by email) as online invoices. If the customer requests a paper invoice, Palette shall be entitled to charge reasonable compensation for this.

4.3 Invoice amounts are due for payment without deduction no later than four weeks after the invoice date.

4.4 If costs and interest have accrued, Palette shall be entitled to offset payments first against costs, then against interest, and finally against the principal claim.

4.5 Payment shall only be deemed made once Palette can dispose of the amount.

4.6 If the customer defaults on payment, Palette shall be entitled to demand default interest from the relevant date at a rate of 10 percentage points above the applicable base interest rate, but at least 10% p.a. as lump-sum compensation for damages. The customer reserves the right to prove that Palette has suffered no damage or substantially less damage. Palette reserves the right to prove and assert higher damages caused by default.

4.7 Palette shall be entitled to suspend the provision of services under existing contracts in the event of payment arrears exceeding two months, until full payment has been received.

4.8 If installment payments have been agreed with the customer, the entire outstanding balance shall become immediately due if payment is more than three months overdue.

4.9 Palette retains ownership of delivered Contractual software on data carriers, the data carriers themselves, documentation, and delivered hardware until all claims arising from the business relationship with the customer have been paid in full.

4.10 If the customer unjustifiably withdraws from an order placed, Palette may, without prejudice to the right to claim higher actual damages, demand 10% of the agreed net sales price as lump-sum compensation for costs

incurred and lost profits resulting from processing the order. The customer reserves the right to prove lower damages.

4.11 If a contractual right of return has been agreed with the customer, it may only be exercised if agreed in text form, Palette has failed to provide certain services guaranteed in text form, and the software thereby loses its value for the customer. In this case, services already provided by Palette (e.g. instruction, training, installations) shall be charged proportionately.

5. Value Adjustment Clause

5.1 For recurring payments arising from contracts under Sections 6 to 8, Palette shall be entitled, after expiry of the agreed minimum term, to adjust the agreed remuneration once annually in accordance with the development of the Consumer Price Index for Germany (CPI) published by the Federal Statistical Office (base year at the time of contract conclusion). An adjustment shall only take place if the index has changed by more than 3% since the last price determination.

5.2 The adjustment shall correspond to the same percentage by which the CPI has changed since the last price determination. Palette shall inform the customer in text form at least six weeks before the adjustment takes effect. If the remuneration increases by more than 5% compared to the previously owed remuneration, the customer shall be entitled to terminate the affected contract extraordinarily at the time the price increase takes effect.

6. Service Agreement (Update Agreement)

6.1 During the term of a paid service agreement, Palette shall provide the customer with the latest updates of the Contractual software (programs and data) not yet acquired by the customer, insofar as these are generally offered by Palette. Commercial goods, customer-specific custom products, and installation or training services are not included unless expressly agreed.

6.2 At Palette's discretion, updates may consist either of new program versions with modified or improved functionality or extensions or updates of data (e.g. catalogueues). Updates relate only to products manufactured by Palette in the version current before the update. There is no entitlement to specific updates, functions, or release dates.

6.3 The service agreement shall automatically renew for 12 months at a time unless terminated by either party in text form with three months' notice before the end of the respective contract term.

6.4 If the service agreement is expanded during its term (e.g. through the purchase of additional products), an additional minimum term of 12 months from the expansion shall apply to the agreement as expanded overall, unless a longer minimum term had already been agreed previously.

6.5 Palette shall be entitled to provide updates as online downloads. If the customer instead requests delivery on data carriers, Palette shall be entitled to charge the resulting costs.

6.6 Technical support offered by Palette within the framework of the service agreement is limited to assistance in restoring the functionality of the Contractual software in accordance with the applicable user information.

6.7 Palette Cloud Computing may only be used in conjunction with a service agreement (update agreement) agreed to a sufficient extent.

7. Palette Cloud Computing and Online Storage (SaaS)

7.1 Palette may offer the customer access, for a fee, to an online service administered by Palette ("Palette Cloud Computing"). Certain functions of the Contractual software described in more detail in the documentation may only be used as long as the customer has access to Palette Cloud Computing.

If the customer processes personal data of third parties via Palette Cloud Computing, separate data processing agreements pursuant to Article 28 GDPR shall apply between the parties.

7.2 Remuneration for the use of Palette Cloud Computing shall be invoiced in advance for specified periods (e.g. months or years) or as otherwise agreed.

7.3 The agreement for the use of Palette Cloud Computing shall automatically renew for 12 months at a time unless terminated by either party in text form with three months' notice before the end of the respective contract term.

7.4 Access to Palette Cloud Computing requires a current version of the Contractual software approved by Palette as well as a suitable internet connection. Establishing and maintaining the internet connection is the customer's responsibility.

7.5 Upon termination of the contract, the cloud and storage service provided by Palette shall end and the customer's access to Palette Cloud Computing shall be deactivated. The customer is obligated to independently export and back up all content stored in Palette Cloud Computing no later than upon termination of the contract; Palette shall provide reasonable export functions for this purpose during the contract term. After termination, Palette shall no longer be obligated to provide or restore data. Palette shall be entitled to delete remaining customer-related content after termination of the contract; statutory retention obligations remain unaffected.

8. Rental

8.1 Palette grants the customer the right to use the Contractual software in accordance with Section 2.3 exclusively for the duration of the respective rental agreement.

8.2 During the rental period, updates to the Contractual software pursuant to Section 6 and – if agreed – the use of Palette Cloud Computing pursuant to Section 7 are included in the rental fee.

8.3 The rental agreement shall automatically renew for 12 months at a time unless terminated by either party in text form with three months' notice before the end of the respective contract term.

9. Confidentiality, Intellectual Property Rights

9.1 The disclosure of passwords and access credentials assigned for copy protection purposes or for access to cloud or online services of Palette to third parties is not permitted without Palette's prior express consent in text form.

9.2 The customer shall carefully protect the Contractual software, including all provided documents and backup copies, against unauthorised access by third parties. This includes in particular denying unauthorised employees and external third parties access and obligating authorised persons accordingly.

9.3 The customer shall inform Palette immediately upon becoming aware of any infringement of Palette's intellectual property rights by third parties or if the customer itself is asserted against by third parties due to alleged infringements caused by the Contractual software. The customer shall give Palette the opportunity to support its legal defense. The customer shall support Palette within reasonable limits in defending against such claims.

9.4 The customer shall indemnify Palette upon first request against all damages, costs, and expenses incurred by Palette as a result of culpable breaches of the above obligations.

10. Use of Usage Data and AI Systems

10.1 Palette shall collect and process technical usage data generated during the use of the Contractual software (e.g. performance, error, or telemetry data) as well as planning and content data, including elements used in planning (e.g. floor plan images, drawings, models, components, objects, or comparable

planning content). Palette shall use such data exclusively for internal product improvement, quality assurance, and for training and further developing its own AI models. Such use shall only occur in anonymised, pseudonymized, or aggregated form so that conclusions about individual customers or specific projects are excluded.

10.2 Palette shall anonymise the data referred to in Clause 10.1 before using it for product improvement and AI training purposes. Such anonymisation shall be carried out in accordance with current industry standards and on the basis of documented procedures (e.g. k-anonymity methods with $k \geq 10$ or differential privacy methods with parameters $\epsilon \leq 1$ and δ within the range of 10^{-5} to 10^{-8}). The Customer's confidential content (in particular plans, drawings and models), as well as customer-related identifiers (e.g. project names, customer numbers or free-text titles), shall be excluded from use under this Clause. Until anonymisation has been completed, Palette shall process the data on the basis of a documented legal ground. The allocation of responsibilities (whether as processor acting on behalf of the Customer or as an independent controller) shall be specified in the relevant Data Processing Agreement. Transfers to processors (including transfers to third countries) shall only take place subject to appropriate safeguards in accordance with Articles 28 and 44 et seq. of the GDPR.

10.3 Statistical aggregations based on the data used under this section shall only be created starting from a minimum group size of ten customers.

10.4 Anonymised data used under this section shall be stored for a maximum of 24 months; thereafter, they shall be deleted or stored in a further aggregated form that no longer permits conclusions about individual customers.

10.5 The customer may object to the use of its data under this section for the future; Palette shall comply with such objection with future effect. Data already anonymised and models based thereon shall not be modified retrospectively.

10.6 The AI systems specifically used by Palette (including providers, components, and purpose of use) shall be accessible within the Contractual software under the menu item "Training & Help; Copyright for Third-Party Software." The notice stored there shall form part of these GTC; Palette shall keep the list up to date and version any changes.

11. Customer Cooperation Obligations

11.1 At its own expense, the customer shall provide the infrastructure required for the use of the Contractual software (in particular operating system, hardware, network connection), install it in due time, and maintain it during the contract term in the version approved by Palette.

11.2 The customer shall only employ sufficiently trained and suitable personnel when using the Contractual software.

11.3 In the case of device-bound licences or online licences, the customer shall carefully store the access data provided and shall not use circumvention programs. Lost device-bound licences shall only be replaced by purchasing new, correspondingly protected software. The customer shall ensure that the Contractual software has a sufficient internet connection to Palette's licence servers.

11.4 Licensing via hardware copy-protection dongles is being phased out; in the event of loss, theft, or technical defect, there shall be no entitlement to replacement delivery of such hardware or licence type. In such cases, a mandatory migration to the currently offered Contractual software (Section 2.2) shall take place, whereby the customer shall bear the costs incurred within the scope of this migration (migration fees, necessary software updates, and contract adjustments).

12. Warranty for Defects, Subsequent Performance

12.1 The Contractual software shall be deemed defective if it deviates from the functionality described in the documentation (in particular operating manuals and online help) or otherwise agreed in the contract, thereby impairing its suitability for the usual use described in the documentation.

12.2 Data exported from Palette CAD/CAM contains only design information and does not constitute direct control commands for CNC machines; conversion into machine-specific command sequences is performed only by downstream machine software. The user is responsible for independently checking all exported data for correctness and suitability before further processing, regardless of file format. Liability for damage to components, machines, or production downtime resulting from further processing of such exports is excluded.

12.3 The Contractual software is properly operable in the hardware and software environment specified by Palette, in particular on the operating system specified in each case. For Windows programs supplied by Palette, the operating system shall generally be the operating system for personal computers approved by Microsoft for at least one year at the time of delivery. Palette assumes no liability for subsequent system updates by third parties.

12.4 A Demo Version is intended solely for testing and is not suitable for productive use with end customers and therefore does not constitute defective Contractual software. Versions designated as beta versions or release candidates (RC versions) shall always be deemed Demo Versions.

12.5 The availability of software provided by Palette on its servers for retrieval by the customer (e.g. online programs, online data, online storage) shall amount to at least 99% over a three-month period. Downtime shall be calculated based on the total duration during which the system was unavailable within this period due to outages, excluding periods attributable to customary maintenance windows.

12.6 Palette does not guarantee the completeness, currency, or other properties of data catalogues.

12.7 Obvious defects that are readily apparent to an average customer must be reported by the customer in text form within ten working days after delivery of the Contractual software. Non-obvious defects must be reported in text form within ten working days after their discovery; otherwise, claims arising from such defects cannot be asserted. Defects (including occurring error messages) shall be described in as much detail as possible (e.g. by means of error logs). The customer shall support Palette to a reasonable extent in identifying errors and remedying defects.

12.8 Palette shall, at its own discretion, remedy all defective deliverables or services free of charge by repair, replacement delivery, or reperformance. Palette shall also be entitled to remedy defects by providing the customer with a modified version of the Contractual software. Palette shall furthermore be entitled to circumvent an occurring defect by means of reasonable workaround solutions if the defect itself can only be remedied with disproportionate effort and/or if remedying the defect would significantly impair the runtime or response behavior of the Contractual software.

12.9 If it turns out that a defect reported by the customer is not based on a breach of duty by Palette, the customer shall reimburse Palette for the expenses incurred in this respect (in particular working time and travel expenses) at the applicable rates.

12.10 If Palette fails to provide subsequent performance within a reasonable period and also fails within a reasonable grace period set by the customer, the customer may reduce the remuneration or withdraw from the contract. Claims for damages shall be governed by Section 13.

12.11 Palette's liability for defects shall be excluded if changes have been made to the Contractual software without Palette's consent or if the customer uses the Contractual software in a hardware or software environment other than that intended. The customer shall be entitled to demonstrate and prove that the changes are unrelated to the defect that

occurred and do not significantly impede analysis or correction of the defect. No consent by Palette to such modification shall be implied hereby.

12.12 In the event of withdrawal from the contract, the customer must allow the use of the Contractual software to be credited. The credit shall be calculated based on a customary operating life of four years.

12.13 Claims for defects shall become time-barred within twelve months from delivery of the Contractual software or from acceptance if such acceptance has been agreed. Excluded from this limitation are claims under the German Product Liability Act, other producer liability, as well as claims in cases of intent, gross negligence, absence of guaranteed characteristics, breach of essential contractual obligations, and injury to life, body, or health. An obligation is essential if its fulfillment is necessary for proper execution of the contract and if the contractual partner regularly relies and may rely upon compliance therewith.

12.14 If the customer requests that subsequent performance work be carried out at a location designated by the customer, Palette may comply with such request; parts covered under warranty for defects shall not be charged, whereas additional expenses, in particular working time and travel expenses, shall be remunerated at Palette's standard rates.

12.15 The limitation period for services provided within the framework of subsequent performance shall be twelve months, except for claims under the German Product Liability Act, other producer liability, or in cases of intent, gross negligence, absence of guaranteed characteristics, breach of essential contractual obligations pursuant to Section 12.13 sentence last, and injury to life, body, or health. This period shall run at least until expiry of the original limitation period for the respective deliverable. It shall be extended for those parts that cannot be operated appropriately due to the subsequent performance by the duration of the operational interruption caused by such subsequent performance.

12.16 Further warranty claims of the customer against Palette and its vicarious agents are excluded; Section 13 (Other Liability) remains unaffected.

13. Other Liability

13.1 Claims for damages by the customer, irrespective of the legal grounds, are excluded. This shall not apply insofar as liability is mandatory under the German Product Liability Act, other producer liability, in cases of intent, gross negligence, absence of guaranteed characteristics, breach of essential contractual obligations pursuant to Section 12.13 sentence last, or injury to life, body, or health.

13.2 In the event of breach of essential contractual obligations, Palette's liability – unless caused by intent or gross negligence – shall be limited to the typical foreseeable damage under the contract and shall be capped per event of damage at EUR 1,000,000 for financial losses and EUR 5,000,000 for property damage and personal injury. In this respect, Palette shall not be liable for failure to achieve performance results, loss of profit, lost savings, indirect damages, or consequential damages. The foregoing limitations shall not apply insofar as the damages are covered by an existing business liability insurance policy maintained by Palette; Palette shall maintain the coverage existing at the time of contract conclusion.

13.3 The foregoing provisions do not imply any change in the statutory allocation of the burden of proof to the detriment of the customer.

13.4 No liability of Palette shall arise from the use of online storage provided by Palette (Palette Cloud Computing) for content uploaded by the customer. In particular, Palette shall not be liable for loss of content or data; the customer is obligated to create suitable backup copies. Palette assumes no liability for third-party content, in particular not for misuse or the uploading of legally prohibited content (information, objects, or other services) or content that harms third parties or infringes national/international copyrights, trade marks, patents, name rights, identifying marks, industrial property rights, or personal rights of third parties. Palette does not owe permanent content monitoring or uninterrupted full-time functionality of Palette Cloud Computing beyond the availability guaranteed in Section 12.5.

14. Final Provisions

14.1 The transfer of rights and obligations arising from this contract by the customer to third parties requires Palette's prior consent in writing. Palette shall not unreasonably withhold such consent.

14.2 The customer is not entitled to assert a right of retention against Palette based on claims arising from another legal relationship. Set-off against claims of Palette shall only be permitted with undisputed or legally established claims of the customer.

14.3 Amendments and supplements to this contract require a supplementary agreement signed by both contractual parties to be effective unless stricter formal requirements are prescribed by law. This shall also apply to any waiver of this written-form requirement.

14.4 The place of performance for all deliveries and services under this contract shall be Palette's registered office.

14.5 The exclusive place of jurisdiction for all disputes arising from or in connection with this contract shall, insofar as legally permissible, be Palette's registered office.

14.6 The law of the Federal Republic of Germany shall apply excluding the UN Convention on Contracts for the International Sale of Goods (CISG).

15. Severability Clause

Should any provision of this contract be or become wholly or partially invalid or unenforceable, this shall not affect the validity of the remaining provisions. In place of the invalid or unenforceable provision, the contracting parties shall agree upon a valid and enforceable provision that comes closest to the economic purpose of the invalid or unenforceable provision. The same shall apply in the event of a contractual gap.