



ASSEMBLYSUITE SERVICE SPECIFICATIONS

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Contact person

Dr. Simon Altemeier

Tel: +49 5251 68262-10

E-mail: simon.altemeier@taktiq.de

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1 Introduction

This document is the basis for all offers concerning services related to the use of the AssemblySuite:

- Licenses, maintenance, support & operation
- Development of individual features and product development partnerships

It includes the following sections:

- **2 Service Description and Price Structure**
- **3 Company Presentation TAKTIQ**
General information about the company TAKTIQ
- **4 General Conditions**
General terms as the basis for all contracts
- **5 Agreement**
Room for mutual signing of the terms mentioned here

2 Service Description and Price Structure

TAKTIQ AssemblySuite is a modularly constructed planning software for optimized planning of assembly lines for multi-variant products. The software enables attainment of the following goals:

- Reduce planning time
- Increase production efficiency
- Increase production quality

The prices for the AssemblySuite consist of 3 components:

1. Licensing & Maintenance (Section 2.1)
2. Server Operation & Hosting (Section 2.2)
3. Support & Customer Service (Section 2.3)

Below every service, there is a related *service key* which is referred to in the offer:

Category	
Service Key	Description

2.1 Licensing & Maintenance

The licensee acquires the right to use the AssemblySuite at the **sites** covered by the license, with the booked **modules** for the set **period** with a booked number of **users**.

All users receive a personal license. Processing of data from other, non-licensed sites is not allowed.

The AssemblySuite can be used with a rental license including updates & maintenance (subscription) or an unlimited license (perpetual license) plus updates and maintenance.

2.1.1.1 Subscription

The subscription is **yearly**. The subscription fee covers the **use of the software including updates & maintenance** (see section 2.1.3)

Individual extensions of the software are not covered by the product maintenance mentioned here and require a separate order (see section 2.1.4 Individual Maintenance).

2.1.1.2 Perpetual License

An unlimited right of use (perpetual license) can be acquired as an alternative to a subscription. In this case, the one-time license price is based on the yearly subscription price multiplied by a **factor**. Switching from the subscription model to the perpetual license is possible after each subscription period (yearly).

When switching from an existing subscription to a perpetual license, 20% of the already paid subscription fee is credited. The subscription fees for a **maximum of 3 years** are taken into account. Therefore, the one-time price for the perpetual license is reduced by a maximum of $3 \times 20\% = 60\%$ of the yearly subscription fee.

After the purchase of the perpetual license, the software can be used indefinitely within the set range of features (scope) as well as sites & number of users. To ensure the software stays functional and up to date, an update & maintenance package must be booked (see section 2.1.3). A **percentage** of the one-time price for the perpetual license is to be paid **annually** for this purpose. This update & maintenance package must be booked for **at least 2 years** after acquiring the perpetual license. After this period, the licensee can end the contract and will stop receiving bug fixes and updates. In addition, the licensee loses the right to request bug fixes and receive support.

It is possible to reorder maintenance for the perpetual license later, but this is subject to additional costs.

License type	
SUBSCRIPTION	Rental license including maintenance and updates
PERPETUAL	Unlimited right of use

2.1.2 License Price Calculation

The subscription price is calculated according to the following factors:

- Classification of Potential Benefits 2.1.2.1
- Range of Features (Scope) 2.1.2.2
- Sites & Users 2.1.2.3

2.1.2.1 Classification of Potential Benefits

There are 4 possible classifications:

Classification	
CL-CON	Consultant / engineering service provider No own production
CL-PS	Producing company small < 25 employees in the assembly department
CL-PM	Producing company medium 25-100 employees in the assembly department
CL-PL	Producing company large > 100 employees in the assembly department

The classification enables a fair benefit-cost ratio. It is based on the total number of employees in the assembly department of **one** site. The classification does not affect the available features in the software. Its sole purpose is a fair definition of a basic price.

2.1.2.2 Range of Features (Scope)

The range of features differs according to

- operation mode
- used modules

2.1.2.2.1 Operation Mode

The AssemblySuite can be used in 3 different **operation modes**:

Operation Mode	Client Only	Client-Server	Client-Server Integrated
Data Storage & Exchange			
Feature			
Save project to file (Local or network drive)	X	X	X
File-based imports & exports	X	X	X

Multi-user access (simultaneous) and storage of the data in so-called plan states and projects in a database		X	X
Specification of central data by an administrator		X	X
Interfaces to other systems (ERP, MES, etc.)			X

In **Client Only** Mode, the application consists of only one Windows desktop application that functions on its own. Generated data inventories can be saved as TKQ files (.tkq) on a drive and be opened again. These files can also be opened and edited by others. Parallel editing by multiple users is not possible. Different data inventories and overwriting times should be coordinated when necessary.

Data from foreign sources is either entered into the software manually or imported and exported from files (e.g. Excel, CSV, XML) through file-based interfaces.

In **Client-Server** Mode, the application consists of the Windows desktop application and a server backend with a database. All the features of the Client Only version are available in this mode, which means that file-based storage of data is possible. In addition, projects and so-called plan states can be saved in a **central database**. Plan states can be classified into different planning *subareas*. Extensive synchronization features enable multiple users to work on the same plan state simultaneously.

An additional administration module is included in the Client-Server Mode. This enables the central definition of planning specifications (e.g., for plant structure, time modules, plant calendar).

The **Client-Server Integrated** Mode includes the same features as the Client-Server Mode. In addition, further systems are linked through standardized interfaces (e.g. a system for manufacturing orders or a system for work processes). It can be individually configured which system has sovereignty for the respective data and attributes. The Client-Server Mode also enables adding individual interfaces for further data.

Operation mode	
OP-C	Client Only
OP-CS	Client-Server
OP-CSI	Client-Server Integrated

2.1.2.2.2 Modules

Different features are available depending on the intended purpose. These features can be arranged into the following modules. These can be activated/deactivated and configured according to the individual needs of the licensee.

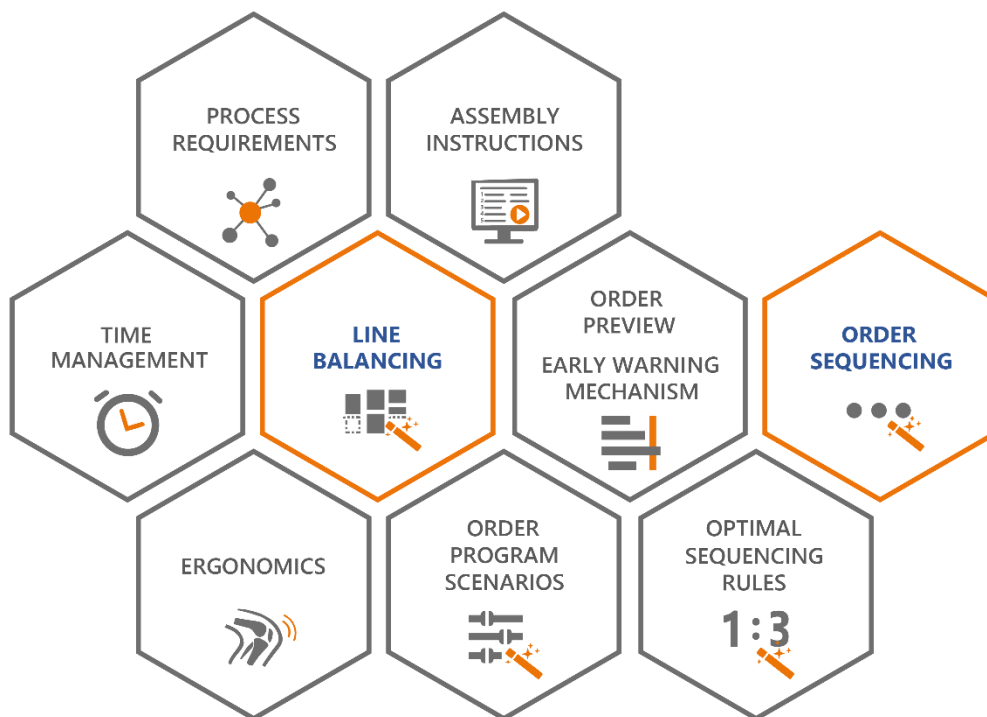


Figure 1: Modules of the TAKTIQ AssemblySuite (as of June 2021)

The two main modules are Line Balancing and Order Sequencing. Further modules can be activated as add-ons.

An up-to-date description of the individual feature modules can be found in the linked sets of slides:

- [AssemblySuite \(EN\)](https://www.taktiq.de/files/AssemblySuite%20(EN).pdf) (https://www.taktiq.de/files/AssemblySuite%20(EN).pdf)

Module	
M-BAL	Line Balancing (Basic)
M-TMGM	+ Time Management
M-PROR	+ Process Requirements
M-ERGO	+ Ergonomics
M-ORDS	+ Order Program Scenarios
M-INST	+ Assembly Instructions
M-PREV	+ Order Preview / Early Warning Mechanism
M-SEQ	Order Sequencing (Basic)
M-SEQR	+ Optimal Sequencing Rules

2.1.2.3 Sites & Users

The AssemblySuite must be licensed separately for every production site using it. Every site receives a basic package with 5 full (writing) user licenses.

Further user licenses can be booked on top of the basic package:

Sites & Users	
LIC-LOC	Site packages (5 users each)
LIC-FULL	+ additional full (writing) users
LIC-READ	+ additional only reading users

The concrete allocation of persons can be changed for every individual user license at any time (up to **2 times a year**).

The prices for the basic package and additional users are based on the classification and range of features that are set once for every site. The available range of features can be further limited on the individual user level. This, however, does not change the price structure. The prices are based on the range of features available at the site.

The number of booked sites and additional users can be determined yearly according to the subscription model. In the case of the perpetual license model, one of the two license models (subscription or perpetual) can be chosen for new additional sites. The same applies to further user licenses that are added to a perpetual license.

2.1.3 Updates & Maintenance

As a part of product care and further development by TAKTIQ, the licensee receives bug fixes, product feature extensions as well as improvements of usability, program stability, and performance during the license period (subscription) or maintenance period (perpetual license) without additional costs.

Major releases are provided in a continuous sprint and release cycle. These also include possible individual extensions and features that have been developed in a product development partnership (s. section 2.4.1).

The following figure describes the development cycle of the AssemblySuite:

- **Development phase (1. – 5. week)**
4 weeks of development + subsequently 1 week of internal review
- **Release candidate week** (overlapping week 1 of the following development sprint)
1 week of testing of the upcoming releases in the respective integration environments

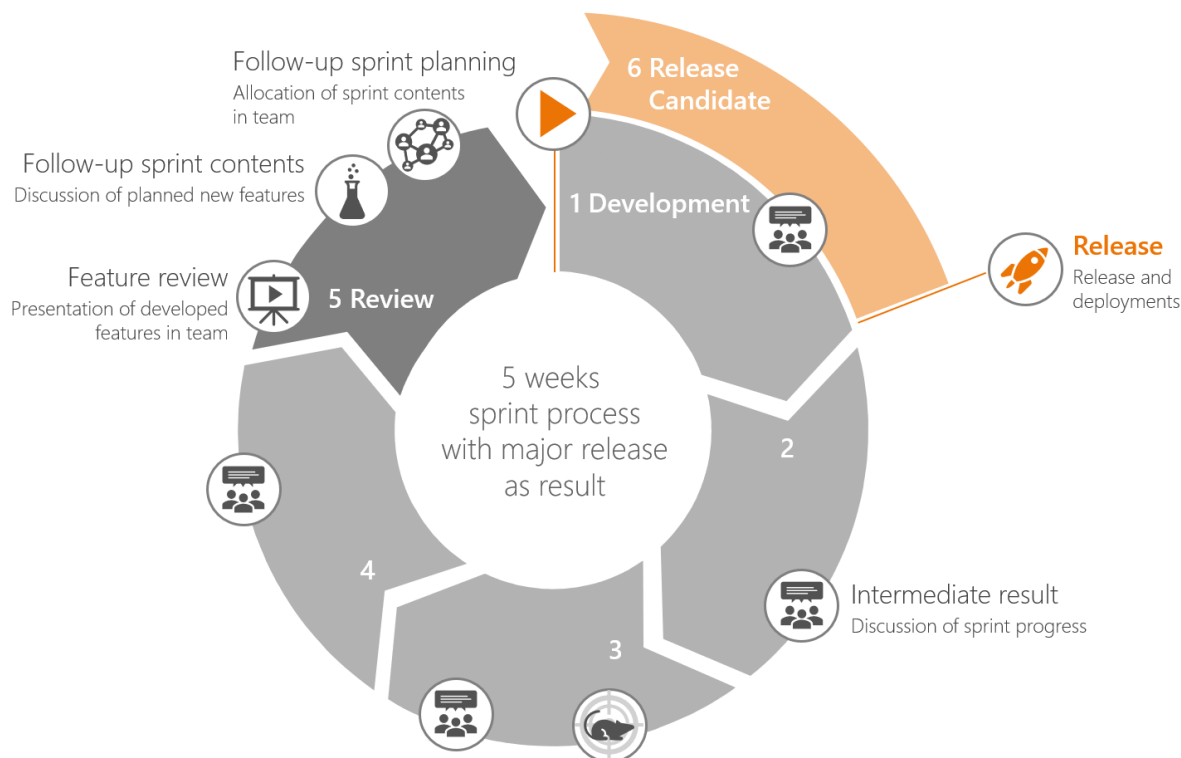


Figure 2: Example of a TAKTIQ sprint cycle

The release usually takes place on the first working day after the release candidate week (in the illustration: at the beginning of week 2).

The current sprint calendar with the planned sprints and release dates can be downloaded here at any time:

- [TAKTIQ Sprint Calendar](https://www.taktiq.de/files/Sprintkalender.pdf) (https://www.taktiq.de/files/Sprintkalender.pdf)

In addition, small bug fixes are provided in so-called service releases at any required time between the major releases.

Maintenance and support are only available for the current software version of the AssemblySuite (client and server application). In case of need, updates can be turned off individually at each site or even by individual users. However, as soon as a user is no longer working with the latest version of the AssemblySuite, the possible right to maintenance and support expires until the software is updated to the latest version. Support for the update itself forms an exception.

Updates are provided to the client fully automatically when the software is started. In the case of server operation, temporally synchronized deployment and migration processes must be carried out by technicians of TAKTIQ (see section 2.2 for services in server operation & hosting).

Maintenance	
PROD-MAINTAIN	Product maintenance

Product maintenance is always included in the subscription model.

2.1.4 Individual Maintenance

A yearly maintenance fee is to be paid for features individually developed for customers. The calculation of the fee is based on the development costs of the customer-specific extensions or in the case of a product development partnership, the proportionate maintenance agreed on (see 2.4.2).

Individual maintenance covers the following services:

- 1. Integration and development effort**

As the product is constantly developed further, the product updates must enable flawless functioning of individual features/interfaces and dialogues. In this context, further development of individual features is inevitable in case of adjustments of the product. The more individual features are used in the AssemblySuite, the higher is the adjustment/development effort at every release.

- 2. Test effort**

It must be ensured that the functionality of customer-specific features meets expectations at every release. These tests are carried out both manually and automatically. The more there are individual features, the higher is the effort for manual tests at every release. In addition, the automatic tests must be adjusted in the case of further development of the product, therefore also adjusting the individual code sections.

- 3. Assurance of know-how**

Assurance of high support quality and customization options.

- 4. Mandatory adjustments**

E.g., because of updates in the operation system, development platform .NET and further third-party libraries.

The maintenance fee is recalculated for every extension of the maintenance.

Maintenance		
X %	MAINTAIN-INDIVID	Individual maintenance service (% of investment sum)

2.2 Server Operation & Hosting

In **Client-Server Mode**, more services are necessary than in Client Only Mode. The AssemblySuite software then consists of 3 different **components**:

- Desktop client
- Server application
- Database

In case of updates as a part of product care or product development, a manual update of the server components and a possible database migration are necessary in addition to the automatic update of the client.

An **environment** describes a server application together with the related database. The following environment types can be distinguished in operation:

- A **production environment (PROD)** is used operationally for the planning.
- In an **integration environment (INT)**, tests for new software versions of the AssemblySuite can be carried out in interaction with systems attached to new software states. It can be understood as an “intermediate stage” between TEST and PROD.
- Development takes place in a **test or development environment (TEST/DEV)**. This is an internal environment of TAKTIQ and is only useful for a customer when interfaces are developed in cooperation or simultaneously.

Minimum Number of Environments

In **Client-Server** Mode without additional interfaces and customer-specific features, working is only possible in a **production environment**.

At least **one production-** and **one integration environment** is needed in **Client-Server-Integrated** Mode with interfaces to other systems or customer-specific features.

2.2.1 Maintenance Times

Generally, there are no shutdowns during operating times. Shutdowns are permitted when greater consequential damage is avoided in the interest of the customer.

Planned releases and necessary updates of the infrastructure are announced at least 3 days in advance and are carried out at an agreed time.

Hotfixes are qualified by TAKTIQ and when necessary, installed in the systems on the day they become available.

Regular backups of the database are carried out at night. This takes place preferably within a maintenance window between 02:00 and 04:00. No additional written notification is necessary for this regular procedure.

2.2.2 Operation

On-Premise Operation

In the case of an on-premise installation, the customer must provide and manage the necessary technical infrastructure. The necessary hard- and software requirements can be found [here](https://www.taktiq.de/files/System%20Requirements%20TAKTIQ%20Assembly%20Suite.pdf): (https://www.taktiq.de/files/System%20Requirements%20TAKTIQ%20Assembly%20Suite.pdf).

A VPN connection to the server must be allowed to enable TAKTIQ to perform the services within the scope of operation.

TAKTIQ-Cloud Operation

In the case of operation in the TAKTIQ-Cloud, TAKTIQ takes over the provision and maintenance of the technical infrastructure in addition to all necessary operational services.

The necessary services can be performed by the customer or TAKTIQ, depending on the selected hosting solution. The **possible services** by TAKTIQ are restricted according to the selected hosting:

		On-Premise	TAKTIQ-Cloud
SERV-DEPLOY	Release Deployments (application and database migrations)	TAKTIQ	TAKTIQ
SERV-RC-DEPLOY	Release Candidate Deployments for testing in the integration environment before every major release (application and database migration)	TAKTIQ (compulsory in Client-Server Integrated Mode)	TAKTIQ (compulsory Client-Server Integrated Mode)
SERV-DB-DUMPS	Database Dumps (from production environment for integration and test environments)	CUSTOMER	TAKTIQ
SERV-DB-BACKUPS	Backups and Clean-Up (database)	CUSTOMER	TAKTIQ
HOSTING	Technical Infrastructure (hardware and licenses)	CUSTOMER	TAKTIQ
	Infrastructure Maintenance (configuration and updates)	CUSTOMER	TAKTIQ
	Health Checks and Proactive Monitoring (application and database)	-	TAKTIQ

2.2.2.1 Deployment (Application & Database Migration)

An update of the server application takes place at every new major release and when necessary, at further service releases. The software state of the client and server-side as well as the state of the

database must fit together to enable further use of the environment. Access to the server components from a newer or outdated client is technically blocked.

All steps must therefore be carried out within a time frame as narrow as possible to minimize the duration of unavailability.

The deployment includes the following steps/services:

- **Coordination of the timing** and the accompanying unavailability of the server components with the customer
- **Shutdown** of the environment
- **Update** of the software
- **Migration** of the database (including generation of migration scripts)
- **Restart** of the environment
- **Smoke test** through one-time "load-/save" workflow

Server Operation	
SERV-DEPLOY	Release Deployments (Application and database migration)

2.2.2.2 RC Week Deployment (Application and Database Migration)

During the release candidate week (RC week), there is a nightly deployment of the release candidate state on the integration environment (INT). Simultaneously, the client is made available in an appropriate nighttime RC version. Key users receive an additional feature in the AssemblySuite to enable simple switching between different environments.

The RC-week deployment also includes migration of the database on the integration environment (INT). In addition to the functionally necessary migration, the success of the migration of customer-specific data is tested to eliminate bugs in the later migration in the production environment.

During the RC week, the new features can be tested by the users of the customer and the technicians of TAKTIQ in the individual customer setting. This enables **early identification of bugs** and gives key users the possibility to **test new features** in advance and decide centrally on their use.

If the AssemblySuite is integrated with other software systems through interfaces or if there is a relevant number of customer-specific features, a new software state must be tested in the individual customer setting with the customer-specific interfaces and possible additional logic. In these cases, having an integration environment and booking the RC-week deployments are mandatory.

In case database dumps are carried out by the customer itself, the customer must ensure they are carried out regularly enough, ideally shortly before the RC week deployment. The software quality can only then be assured on current data.

Server Operation	
SERV-RC-DEPLOY	Release Candidate Deployments Additional deployments on the INT-environment (application and database migration)

2.2.2.3 Database Dumps (Supply INT and TEST-Environments)

To ensure that the integration and test environments have as realistic test data as possible, the database is updated periodically with the current production data.

The procedure takes place upon request. The package contains max. one dump per release. In the case of a booked RC deployment, the dumps are usually carried out at the beginning of the RC week.

Server Operation	
SERV-DB-DUMPS	Database Dumps (from production environments for integration and test environments)

2.2.2.4 Backups (Database)

The backup services include ensuring the implementation of the agreed backup strategy and if necessary, restoration of this backup in the respective environment.

Integration and development environments are **not** backed up.

Production environments are backed up in the following rhythm:

- **Nightly backup** of the database (through incremental updates)
- **Weekly full backup** (usually Sunday night) to ensure a faster restoration process
- **Reset of the database when necessary**

Reaction time: return to an old data state within 24 h is guaranteed

Backups are stored at least for 1 week.

To ensure high performance of the database, appropriate cleaning processes are configured and maintained in the database environment.

Server Operation	
SERV-DB-BACKUPS	Backups and Clean-Up (Database)

2.2.3 Hosting

The price for hosting depends on the **number of environments** and the **size of the database**.

At least one production environment must exist. In Client-Server Integrated Mode, at least one integration environment must exist in addition to this.

Hosting		
1	PROD	Production environments
1	INT	Integration environments
0	TEST	Test environments
50	DB-SIZE	Database size in GB

2.2.3.1 Technical Infrastructure (Hardware and Licenses)

The technical infrastructure encompasses the necessary hardware & software licenses for hosting the application and database.

The database size is limited to **50GB** database room per booked environment. Extensions are offered in 10GB steps when necessary. The booked backups are similarly oriented towards the chosen database size.

High functionality of the AssemblySuite is guaranteed in our hosting package. Possible scaling of the system, which might be necessary for performance reasons, is carried out by TAKTIQ.

2.2.3.2 Infrastructure Maintenance (Configuration and Updates)

The provided infrastructure is serviced regularly with necessary updates and reconfigurations whenever needed.

2.2.3.3 Health Checks and Proactive Monitoring

TAKTIQ takes care of health checks and proactive monitoring of the application, database and environments.

2.3 Support and Customer Service (SLA)

A support level can be combined with the preferred intensity of customer service (a cell in the table).

There are 3 different **support levels**:

1. **ESSENTIAL**

Documented faulty performance of the AssemblySuite is fixed. The customer must provide evidence in this case. No specialist support is provided for the AssemblySuite. No reaction and resolution times are promised at this support level.

2. **ADVANCED**

Includes the services of ESSENTIAL. In addition, specialist support is provided and TAKTIQ takes care of the troubleshooting and error analysis in case of supposed malfunctioning of the software. This effort is compensated even when it turns out that there is no bug.

3. **PREMIUM**

Includes the services of ADVANCED. Reaction and resolution times are firmly confirmed in addition to the support offering.

The support and customer service level can be redetermined yearly.

ESSENTIAL	Only fault clearance, proof of error by the customer.
ADVANCED	As ESSENTIAL + Specialist support + troubleshooting by TAKTIQ.
PREMIUM	As ADVANCED + SLA agreement with promised reaction and resolution times

User management is a part of the support service and included in each of the offered levels. This includes generation & change and reconfiguration of user licenses.

Description of the different **customer service levels**:

- **Support Only**

No fixed contact person for the customer. Any type of contact with TAKTIQ takes place through central support.

- **Fixed contact person with a yearly exchange of experiences**

There is a fixed customer advisor at TAKTIQ who is familiar with the workflows and use cases of the customer. The know-how concerning the customer's application is documented by TAKTIQ. In an exchange of experiences, the customer advisor (in person or in a web conference) presents new and modified features of the AssemblySuite to the key users utilizing sample data. In addition, planned extensions of the AssemblySuite are discussed and the key users have the possibility to express wishes for further development.

The customer advisor represents the third level in the support process. In case of more complex support questions, the customer advisor understands the individual customer setting and can be involved in the search for a solution.

- **Fixed contact person with a quarterly exchange of experiences**

The exchange of experiences takes place 1x per quarter (instead of once a year).

- **Fixed contact person with a monthly exchange of experiences**

The exchange of experiences takes place 1x per month (instead of once a year).

SERV-NO	No fixed contact person (only support)
SERV-YEAR	Fixed contact person including 1x exchange of experiences per year (yearly)
SERV-QUARTER	Fixed contact person including 4x exchange of experiences per quarter (quarterly)
SERV-MONTH	Fixed contact person including 12x exchange of experiences per year (monthly)

2.3.1 Contacting TAKTIQ

The TAKTIQ support can be contacted in three ways:

- E-mail: support@taktiq.de
- Phone: +49 5251 68262-00
- Automatic error reporting from the AssemblySuite

2.3.2 Support Times

Our support team is available on working days from Monday to Friday during office hours from 8:00 am to 4:30 pm CET. No support is available on Saturdays and Sundays as well as public holidays in Nordrhein-Westfalen (Germany).

The dates for the year 2021 are listed here as an indicator.

- New Year: 01.01. (Friday)
- Good Friday: 02.04. (Friday)
- Easter – Easter Monday: 05.04. (Monday)
- May – Labor Day: 01.05. (Saturday)
- Ascension Day: 13.05. (Thursday)
- Pentecost – Whit Monday: 24.05. (Monday)
- Corpus Christi: 03.06. (Thursday)
- Day of German Unity: 03.10. (Sunday)
- All Saint's Day: 01.11. (Monday)
- Christmas Day: 25.12. (Saturday)
- Christmas Day: 26.12. (Sunday)

On request, the "PREMIUM" support level can be extended to include on-call support at additional times (saturdays, holidays and outside normal support hours).

2.3.3 Support Process

1. A user contacts the support team

The support ticket is opened according to one of three **priorities**, which represent the combination of urgency and the extent of effects on the core business of the customer:

- **Low**
A representation or function is faulty. However, the error only relates to one representation or has no great relevance for the user's use case. (e.g., display errors such as truncated tooltips or typos). A fix is not urgent.
 - **Middle**
A feature is faulty, but there is either a workaround or the bug is sporadic, or the fix is not urgent.
 - **High**
A feature is faulty, and the user cannot follow up on a necessary use case. In addition, there is no workaround. The short-term effects on the core business are small or it is sufficient that the user continues working on the use case later.
 - **Critical**
A feature is faulty, and the user cannot follow up on a necessary use case. No workaround is available. In addition, the use case must be carried out very urgently, as a high impact on the core business of the customer can be expected if the use case cannot be completed soon.
2. The support team starts the analysis/work on the incident (within the **set reaction time**).
 3. The support team communicates with the user to receive additional information or feedback on the solution. This takes place via e-mail, phone or screen sharing at a Microsoft Teams meeting.
 4. If a bug fix in the software is necessary, the support team creates a bug item in the Azure DevOps system of TAKTIQ and allocates the bug item to a software developer. The user who has reported the issue is documented in the bug item to ensure this user gets informed when the bug is fixed or additional information is needed.
 5. In any case, the user receives feedback on the resolution of the issue (within the set **resolution time**).

2.3.4 Languages

The support is offered in the following languages:

- German
- English

2.3.5 Reaction & Resolution Times

The following reaction and resolution times are confirmed in the support level PREMIUM:

Priority	Reaction time	Resolution time
Low	-	-
Middle	2 working days	4-5 working days
High	8 hours	3-4 working days
Critical	4 hours	1-2 working days

Reaction time means:

The support team has started the analysis and/or solving the issue.

Resolution time means:

One of the following solutions is found within the resolution time:

- A potential bug is fixed with a service release
- An acceptable workaround is defined, and a potential bug is fixed later

In the so-called worst case, there is the possibility of returning to an older version of the software ("roll back"). This can also include returning to a data backup. When the resolution time is running out and the problem is urgent, the option of a "roll-back" is discussed with the customer or a responsible key user. When this instrument is used, a possible loss of the data processed after the last backup must be expected and accepted.

A maximum time for the analysis and completion of possibly necessary changes in the software cannot be guaranteed due to the nature of the matter.

2.3.6 Obligations to Cooperate

- The customer must report deficiencies in the AssemblySuite without delay and support TAKTIQ in the elimination of defects to the required extent to minimize possible consequential damages.
- The customer names an employee who has been trained and qualified in the use of the AssemblySuite as a contact person.
- The customer is obliged to always use the current version of the AssemblySuite.
- In the case of on-premise operation, the customer is obliged to take care of the procurement and management of the technical infrastructure. The customer also undertakes to keep the operating environment of the AssemblySuite (operating system and database) in an up-to-date state supported by the provider and the TAKTIQ AssemblySuite. The customer is responsible for regular backup of the individual data – especially before implementation of program updates.
- The customer must provide the infrastructure necessary for appropriate processing of support requests (internet connection, possibility for remote maintenance and provision of VPNs when needed).

2.4 Individual Extensions & Product Development Partnerships (PDP)

The AssemblySuite is constantly developed further through agile development procedures. Every licensee profits from the product development as a part of the maintenance through regular updates of the software.

In addition, every customer has the possibility to **request development of individual features** for the AssemblySuite. These can be, e.g., individual interfaces, reports such as assembly instructions, and calculation of ratios.

2.4.1 Product Development Partnership (PDP)

When a requested development is generally interesting for the product from the perspective of TAKTIQ, the company offers a **product development partnership (PDP)**. In such a partnership, TAKTIQ develops the feature as a "product improvement".

The following **tasks and benefits** arise in a product development partnership:

TAKTIQ:

- evaluates the development effort
- decides on the "product relevance" for the AssemblySuite
- defines the "share" to be paid by the customer (0%-100%), depending on product relevance
- defines the "share" of the continuous maintenance to be paid by the customer
- retains full rights to the concept and software code

Customer:

- receives the full feature
- takes part in the specification process and has the possibility to define the function according to their requirements
- profits from further improvements of the feature in the future
- pays only a share of the development of the scope
- pays no or a small share of the continuous maintenance of the feature
- can participate in the review/test process of the feature upon request

2.4.2 Expense Evaluation & Procedure

The developments requested by the customer are first specified roughly in the form of user stories, and the effort is evaluated. In addition, the **product relevance is assessed** and therefore an offer of TAKTIQ for the product development partnership. The result of the assessment is captured in a **customer-specific backlog**.

The development effort is generally evaluated with so-called story points. These story points include everything necessary for the delivery of the feature. They comprise the following:

- Fine specification (especially technical specification)
- Development of the feature
- Development of the tests
- Review and test process in the release
- Necessary roll-out specifics and migration scripts

1 story point (SP) is offered at a **fixed price in €**. This is based on an average effort per story point of 2 days:

- 0,25 days of planning & tracking
- 0,50 days of technical and final specification
- 1,00 days of development
- 0,25 days of testing and review

The determination of the total effort in story points is followed by an evaluation of the product relevance by TAKTIQ.

Example for a customer-specific backlog with 3 stories:

Story-ID	User story	Total effort [SP]	Customer share [%]	Customer share [SP]	Customer share maintenance [%]
18776	Individual interface for order data Example for individual story	15 SP	100 %	15 SP	100 %
18752	Use of placeholders (wildcards) for definition of the sequencing rules Example for PDP without maintenance by the customer	10 SP	30 %	3 SP	0 %
18647	Standard deviation as an additional measure of time spread Example for PDP with a share of maintenance by the customer	8 SP	25 %	2 SP	25 %

The customer purchases a number of story points based on the pre-defined backlog. The development of the stories takes place in the regular, agile sprint process of TAKTIQ:

The customer-specific backlog can be adapted at any time by mutual agreement between TAKTIQ and the customer.

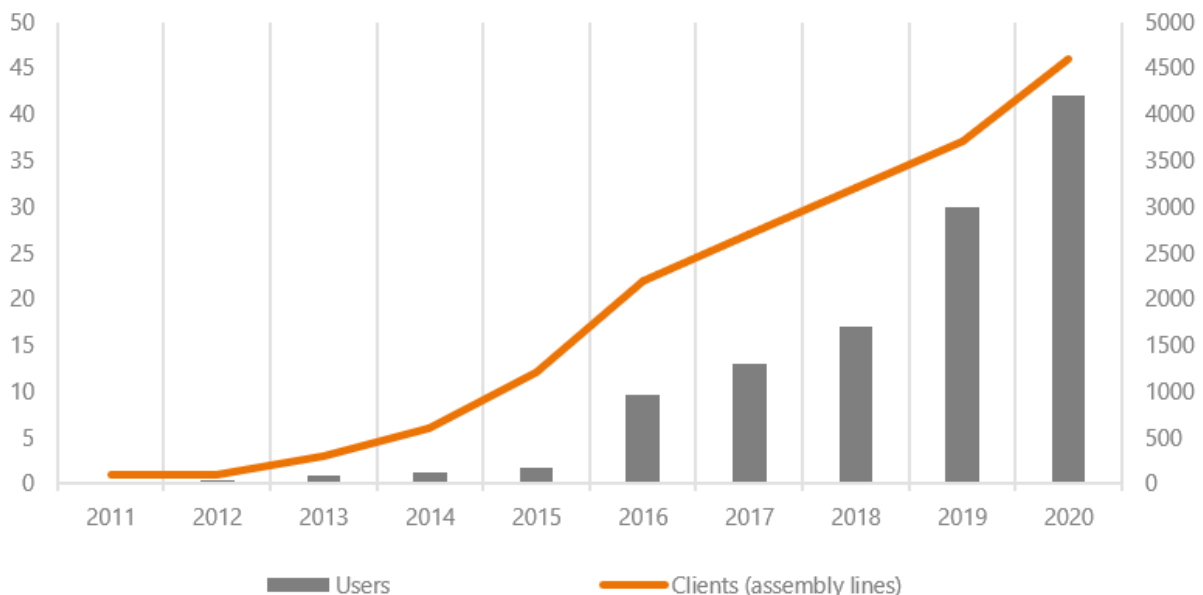
As soon as a story is firmly scheduled for a sprint and the fine specification phase has started, the request cannot be altered anymore. If a story is cancelled during the specification and implementation phase, the story points are billed according to the scope provided. Implemented scopes are billed after delivery and acceptance of the feature.

The individual maintenance fee to be paid by the customer is recalculated based on the implemented scopes. This is based on the **maintenance share of the customer [%]** in the customer backlog.

3 Company Presentation TAKTIQ

TAKTIQ was founded in 2012 by Dr. Simon Altemeier and Dr. Christoph Danne with the goal of developing truly intelligent software for assembly planning, with a focus on line balancing and order sequencing. We bring state-of-the-art optimization technologies into practice and facilitate the daily work of people in planning and production, so they achieve their quality and efficiency goals. Our flagship product **AssemblySuite™** is paving the way. It enables efficient planning and control of complex production systems, in which highly individualized products are manufactured cost-effectively and in high quality. Numerous well-known companies are already benefiting from this.

After an initial development phase, the **AssemblySuite™** has been distributed to end users since 2013. Since then, it has rapidly gained popularity and customers. At the moment, we support more than 5000 users. The driver for this growth is the automotive and vehicle industry, consisting of large manufacturers of cars, trucks and buses.



This success is the result of our uncompromising focus on the planning problems of line balancing and order sequencing, together with the ambition to develop our **AssemblySuite™** into the best software solution in this field. To achieve this, we combine intelligent features with intuitive operation and the best possible feedback. This first-class user experience ensures a high level of satisfaction among our users.

TAKTIQ GmbH & Co. KG is an owner-managed and equity-financed company led by the founders and managing directors Dr. Simon Altemeier and Dr. Christoph Danne. Our headquarters are located in Paderborn. All support levels (1st, 2nd and 3rd level) are provided from this location. Currently, full service is offered in German and English to customers in Germany, France, Great Britain, Spain, Italy, Hungary, Czech Republic, Russia, Mexico, USA, South Africa, India and China.

Our TAKTIQ-team currently consists of 24 members. They combine expertise from software development, modern analytics and production management and work together on the development,

marketing and implementation of the **AssemblySuite™**. The team is organized along an agile 5-week development and release process.

We have extensive experience in implementing and customizing the **AssemblySuite™** to individual customer processes and requirements within a variety of industries and sizes. As line balancing and order sequencing are the core themes of TAKTIQ, all our employees in service, programming and consulting have significant knowledge of the underlying planning processes.

Our vision, mission and values form the basis for all business decisions and our growth strategy:

Our Vision

We are at the vanguard of shaping the digital future of production planning. Our compelling software products profoundly simplify the way manufacturers dominate the increasing variant diversity. They revolutionize the planning and operation of complex production systems.

Our Mission

We unlock the full potential of assembly lines. With our unlimited passion for agile development of state-of-the-art software, we deliver innovations that enable the world's leading manufacturers to continuously achieve new levels of quality and efficiency.

Our Values

We love and live innovation, impact, partnership, user-centricity, agility, performance and fun.

Our commitment to agile, user-centric and partnership-based software development is what differentiates us and guarantees customer satisfaction. With consistent focus and a team of top talents, we build long-term partnerships with our customers. This is how we enable our customers to achieve the highest levels of manufacturing excellence and sustainable improvements in competitiveness.

4 General Conditions

4.1 Extension of Yearly Services

- (1) The yearly services are always automatically extended by one year if the contract is not terminated 6 weeks before the end of the term.
- (2) For a price adjustment, the Contractor must provide the Client with appropriate information at least 12 weeks before the end of the service.

4.2 Cancellation of Project, Development and Training Services

- (1) If project services (e.g. consulting days, training services or development of features) are cancelled at short notice (< 14 days prior to performance of the service), the contractor shall be entitled to charge 25% plus any travel rebooking costs and cancellation fees.

4.3 The Customer's Obligation to Cooperate

- (1) The customer guarantees the contractor open access to all information necessary for performing the specified services.

4.4 Warranty, Delay

- (1) The warranty due to defects is determined in accordance with the statutory provisions
- (2) Insofar as the services can be made up for and the contractor is in delay, the customer can give the contractor an appropriate deadline. In case the service is not performed within this period, the customer can assert its further statutory rights.
- (3) All entitlements of the customer lapse – except in case of intent on the part of the contractor – one year after termination of the contract.

4.5 Data Processing

- (1) The customer commissions the contractor to process the user data necessary for the licensing process and support.

4.6 Copyright

- (1) Procedures, algorithms and source code are, if not already otherwise protected, intellectual property of the contractor. All use, commercial or not and be it only of excerpts, requires the written consent of the contractor.

4.7 Subcontracting for Hosting

- (1) The customer is aware that subcontracting is used for hosting services.
- (2) TAKTIQ hereby declares that the hosting services are assigned to the subcontractor VegaSystems GmbH & Co or Microsoft Azure.
- (3) VegaSystems is a hosting company located in Paderborn (Germany) and is certified according to the strict ISO/IEC 27001. Further information on the terms and conditions of VegaSystems GmbH & Co. KG can be found on the website: (www.vegasystems.de).

4.8 Confidentiality

- (1) The contract partners shall comply with the statutory provisions on data protection.
- (2) Both parties mutually undertake to keep any trade secrets, which they learn about each other during the execution of this contract, confidential from third parties.
- (3) The contractual partners shall oblige their employees to secrecy and data protection and inform any third parties, which are involved in the execution of the contract, of this obligation.

4.9 Liability

- (1) The contractor is liable for damage caused by the contractor due to wrongful intent or gross negligence. The liability for slight negligence is excluded.
- (2) The contractor is not liable for lack of economic success, lost profit, indirect damage, consequential damages and third-party claims.
- (3) The amount of compensation for damage in accordance with paragraph 1 and paragraph 2 as well as compensation for wasted expenses is limited to 20,000 €.
- (4) The contractor is liable for data loss and recovery in accordance with paragraphs 1 to 3 only when such a loss could not have been avoided by the customer through appropriate data backup measures.
- (5) The limitations of liability in accordance with paragraphs 1 to 4 are analogously also applicable to employees and commissioners of the contractor.
- (6) Liability of the contracting parties for damage due to gross negligence or wrongful intent of members of the management as well as possible liability of the contractor for given warranties and claims based on the product liability law remain unaffected.

4.10 Place of Delivery for Services

The place of delivery for our services is Paderborn. The place of fulfillment for payments is Paderborn.

4.11 Place of Jurisdiction

The place of jurisdiction is the principal place of business of the contractor in Paderborn.

4.12 Severability Clause

In case individual provisions of this contract are or become ineffective, the effectiveness of the remaining provisions is not affected. The parties shall endeavor to replace the ineffective provision with an appropriate provision that reflects the original intention as well as possible. The same applies to contractual gaps.

5 Agreement

Both parties, the customer XXX and contractor TAKTIQ GmbH & Co. KG confirm the above-mentioned details concerning services, prices and conditions.

Date

Date

Signature (XXX)

Signature (TAKTIQ)

Title / role at (XXX)

Title/role at (TAKTIQ)