

1. SUBSCRIPTION MODEL

1.1 Subscription. If the CUSTOMER licenses a LICENSED PRODUCT on a subscription basis, the license granted by ELEKTROBIT to the CUSTOMER under **Section 2** of the ELEKTROBIT Terms and Conditions ("**EB T&C**") is time-limited ("**SUBSCRIPTION TERM**"). "**SUBSCRIPTION**" means a licensing model where the CUSTOMER pays a recurring fee to access and use software or services for a specified period.

1.2 Subscription Renewal. Unless otherwise specified, the SUBSCRIPTION TERM commences when ELEKTROBIT provides the CUSTOMER access to the LICENSED PRODUCT. By default, the SUBSCRIPTION TERM begins with an initial fixed duration of twelve (12) months ("**INITIAL SUBSCRIPTION PERIOD**"). This INITIAL SUBSCRIPTION PERIOD will automatically renew for successive periods of the same duration (each, a "**RENEWAL SUBSCRIPTION PERIOD**") unless the CUSTOMER provides ELEKTROBIT with a termination notice (**Section 1.4**) at least three (3) months before the end of the then-current SUBSCRIPTION PERIOD. No further quote or order form is required for renewal. ELEKTROBIT will not issue new quotes, and any follow-up orders placed by the CUSTOMER will not have any legal effect nor modify the terms of the initial order. The SUBSCRIPTION TERM concludes automatically, without the necessity for any termination notice or other formalities, if a fixed SUBSCRIPTION TERM was specifically agreed upon by the PARTIES. ELEKTROBIT explicitly informs the CUSTOMER that it is not obligated to send reminders or notifications regarding the impending expiry or renewal of the SUBSCRIPTION TERM.

1.3 DELIVERY. The WARRANTY PERIOD for the LICENSED PRODUCTS provided under SUBSCRIPTION starts with the INITIAL SUBSCRIPTION PERIOD. During the SUBSCRIPTION TERM CUSTOMER has the agreed rights to use the LICENSED SOFTWARE and continuously access to the current versions of the LICENSED SOFTWARE.

1.4 Termination. Termination notices must be sent via email to the designated ELEKTROBIT email address subscription@elektrobit.com. Such notices must include ELEKTROBIT's quotation number, the original purchase order number, the requested termination date, and contact information for a designated representative of the CUSTOMER.

1.5 Annual Subscription Fee. The CUSTOMER agrees to pay ELEKTROBIT the annual subscription fee for access to and use of the LICENSED PRODUCT. This fee covers the entire SUBSCRIPTION PERIOD and is payable in advance. The annual subscription fee is due and payable upon the commencement of each SUBSCRIPTION PERIOD. ELEKTROBIT will issue an invoice to the CUSTOMER for the full amount of the subscription fee at least fourteen (14) days prior to the start of each SUBSCRIPTION PERIOD, including any INITIAL SUBSCRIPTION PERIOD or RENEWAL SUBSCRIPTION PERIOD. The subscription fee is non-refundable. For any RENEWAL SUBSCRIPTION PERIOD, ELEKTROBIT shall invoice the CUSTOMER for the applicable subscription fee, including any adjustments in accordance with the ADJUSTMENT RATE (if applicable, see **Section 1.6**), in advance of the commencement of the RENEWAL SUBSCRIPTION PERIOD. In the event of late payment by the CUSTOMER, ELEKTROBIT reserves the right to apply a late payment charge at the rate of 1% per month on the outstanding balance, or the maximum rate permitted by law, whichever is lower. ELEKTROBIT may also suspend access to the LICENSED PRODUCT until all outstanding payments, including any late payment charges, are received in full.

1.6 Annual Subscription Fee Adjustment. The annual subscription fee payable by the CUSTOMER to ELEKTROBIT shall be subject to an automatic annual increase to reflect inflationary pressures. This adjustment shall be calculated at a fixed rate of 2.5% (or 5.0% if the agreed currency is Rupee) per annum ("**ADJUSTMENT RATE**") and will be applied to the subscription fee for the forthcoming calendar year. The adjusted fee shall be reflected in the annual subscription invoices issued to the CUSTOMER. If the actual inflation rate, as officially published by relevant national statistics office, exceeds the ADJUSTMENT RATE by 3 percentage points or more in any

given year, ELEKTROBIT and the CUSTOMER agree to enter into good faith negotiations to determine an equitable adjustment to the subscription fee. Pending any renegotiations pursuant to the previous sentence, the CUSTOMER shall continue to pay the subscription fee as adjusted by the INFLATION ADJUSTMENT RATE until a new fee is agreed upon.

2. PER-UNIT MODEL FOR PRODUCTION LICENSES

2.1 Per-Unit Model. If the CUSTOMER and ELEKTROBIT agree to adopt a per-unit model for a Reproduction and Distribution License ("**PER-UNIT MODEL**"), this model will be based on a predefined, undiscounted per-unit price for each UNIT of the RUNTIME SOFTWARE or GENERATED SOFTWARE produced under the license. The PARTIES also agree on a Start of Production ("**SOP**") date, a "**MINIMUM LICENSE FEE**" for the first year of production, and an expected annual production number ("**PRODUCTION SCENARIO**"), whereas such production scenario is not binding in volume, but the agreed basis for the per-unit price. The per-unit price shall be as agreed upon between the CUSTOMER and ELEKTROBIT, with any applicable volume or other discounts detailed within the specific quote provided to the CUSTOMER. The per-unit price is subject to the ADJUSTMENT RATE (**Section 1.6**) beginning with the first year after SOP. The actual production license fee payable by the CUSTOMER for each UNIT will be calculated based on the agreed per-unit price, adjusted by any applicable discounts. A "**UNIT**" refers to each instance or copy of the LICENSED PRODUCT, RUNTIME SOFTWARE or GENERATED SOFTWARE. A single CUSTOMER PRODUCT may encompass multiple UNITS if it contains more than one copy or instance. The production fee is applicable to each UNIT, regardless of the use or activation status of the software, the distribution, shipping, sale, or replacement provision of the CUSTOMER PRODUCT.

2.2 Minimum License Fee. Should the cumulative production license fee for the UNITS reported in the first quarter after the defined SOP fail to meet the MINIMUM LICENSE FEE, ELEKTROBIT will invoice the CUSTOMER for the shortfall to ensure the MINIMUM LICENSE FEE is met, by the end of such first quarter. The same conditions apply if the SOP is postponed, unless the postponement is caused by ELEKTROBIT.

2.3 Reporting. Unless agreed to otherwise, the CUSTOMER is required to submit to ELEKTROBIT a monthly royalty report within fifteen (15) days following the end of each month during the license term to the following email address: Royalties@elektrobit.com. This report must include in Latin alphabet: (i) the applicable quote number, the company name/contract party and a contact person, (ii) an itemized summary of the quantity of each UNIT sold during the reporting period, (iii) a detailed summary identifying the types of delivered CUSTOMER PRODUCT (by make, model number, or other mutually agreed designation), (iv) a list of the countries into which the CUSTOMER PRODUCT were sold, and (v) the calculated payments due to ELEKTROBIT, with a detailed explanation of the calculations, and any additional information ELEKTROBIT may reasonably request. ELEKTROBIT will treat these reports as confidential and use them solely for the purposes outlined in this agreement. Based on the reports, ELEKTROBIT will issue an invoice to the CUSTOMER by the end of the month in which the report was received.

2.4 Records and Audits. The CUSTOMER agrees to maintain accurate and comprehensive records and books of account for all transactions involving the LICENSED PRODUCT for three (3) years following each transaction. These records should include all relevant data for calculating the fees payable to ELEKTROBIT. ELEKTROBIT, or its designated auditor bound by confidentiality, reserves the right to inspect these records annually, at ELEKTROBIT's expense, to verify the accuracy of royalty reports and payments. Should an audit reveal a material breach of this agreement's payment terms or a discrepancy exceeding 1% of the reported amount, the CUSTOMER will be responsible for covering the audit costs and any outstanding fees