

# GENERAL CONTRACT CONDITIONS FOR THE PERFORMANCE OF ENGINEERING SERVICES

## 1. Scope:

1.1 For the delivery of engineering services by STC-Engineering GmbH the following General Terms and Conditions do apply. These General Terms and Conditions (GTC) shall apply for the duration of the business relation between the client and STC-Engineering GmbH for all services performed by STC-Engineering GmbH, especially for service or work contractual performances as well as performances within the scope of employee assignment.

1.2 These GTC shall apply exclusively. Contradictory or deviating terms are not approved, unless STC-Engineering GmbH has specifically agreed to them in writing.

## 2. Placing of order:

2.1 The services performed by STC-Engineering GmbH are defined exclusively within the scope of individual orders.

2.2 The offers of STC-Engineering GmbH are non-binding until the final order confirmation by STC-Engineering GmbH.

2.3 The confirmation of the client is a binding offer. With the written approval of STC-Engineering GmbH the contract is concluded.

## 3. General principles of performance:

3.1 STC-Engineering GmbH will observe the specifications of the client by performing the respective tasks and will provide the services acc. to the applicable rules of technology and science.

3.2 STC-Engineering GmbH is allowed to use subcontractors by performing the services, whereby STC-Engineering GmbH remains directly responsible to the client.

## 4. Employee qualification / Managerial authority:

4.1 Unless not expressly agreed otherwise, STC-Engineering GmbH decides in its sole discretion which employees it takes and retains the possibility to exchange employees at any time.

4.2 The planning of the task performance is scheduled by STC-Engineering GmbH in coordination with the client. Even if the performance takes place at the location of the client, STC-Engineering GmbH alone is authorized to issue directives to its employees. This does not affect the right of the client to give contract related performance instructions. The employees of STC-Engineering GmbH will not be integrated in the operation of the client.

## 5. Obligations of the client:

5.1 If the service is performed at a location of the client, he provides the necessary conditions in time (workplace, work equipment, computer time, access to hard- and software, etc.).

5.2 The client supports STC-Engineering GmbH in the required extent for the performance of the services. In particular, he provides for the duration of the project suitably qualified employees to clarify technical and organisational issues, so that a continuous project work is guaranteed.

## 6. Dates, Client delays, Force Majeure:

6.1 STC-Engineering GmbH performs the services to the individual dates agreed with the client or within the given performance periods. Performance impediments or difficulties whereas STC-Engineering GmbH is not responsible do lead to an appropriate extension of the performance period.

6.2 If the client is responsible for schedule delays, especially by failing of duties, despite written requests, acc. to Point 5, the agreed performance dates will move and have to be re-agreed between the parties. The resulting postponements do not lead to delay by STC-Engineering GmbH. The therefore caused waiting and down time are borne by the client and will be invoiced at cost. When STC-Engineering GmbH deploys employees that are affected by the waiting and down time on other projects, the claim of payment reduces by the realized proceeds.

6.3 When a date is agreed on which a performance shall be made and this date cannot be kept by STC-Engineering GmbH because of Force Majeure, all claims of the client against STC-Engineering GmbH due to this time delay are cancelled. Force Majeure in particular are strikes or lockouts. The agreed execution periods are extending accordingly. If this obstruction or interruption of the before mentioned reasons arise at the subcontractors of STC-Engineering GmbH, this regulation applies accordingly.

## 7. Variation technique:

7.1 During the contract period both parties may propose written changes at any time concerning the agreed services, both in terms of different development phases and in terms of the temporal course or in another way.

7.2 In the event of a proposal for modification by the client, STC-Engineering GmbH will notify in writing within ten working days if the modification is possible and what impact it has on this contract, especially with due regard to the temporal course, the extra effort as well as the revision of deadlines. Working days are from Monday to Friday. Holidays of the federal state in which the services have to be performed do apply.

7.3 The client has to inform in writing STC-Engineering GmbH within a further period of five working days if he would like to keep his proposal of modification or if he would like to continue the contract under the former conditions.

7.4 In case of a proposal for modification by STC-Engineering GmbH the client will notify within ten working days if he approves the modification.

7.5 As far as the examination of the proposed modification is a non-trivial task, STC-Engineering GmbH can invoice the effort caused by the examination separately.

7.6 As long as the approval by the client does not exist, the work will be continued under the existing contract or will be interrupted upon written instructions from the client in whole or in part.

## 8. Licenses:

At the under this agreement given work results STC-Engineering GmbH grants the client a temporally, materially and geographically unrestricted and non-transferable right for all known types of use including the right to change. The client receives no usufruct for the processes and development tools, developed and utilized by STC-Engineering GmbH.

## 9. Remuneration:

9.1 If no fixed price has been agreed, all services - working hours, travelling times and other services, including travel expenses and subsistence - will be invoiced at cost acc. to the agreed prices and conditions or the rates and terms listed in the written quotation of STC-Engineering GmbH.

9.2 Invoicing will be done by presenting the performance reports of STC-Engineering GmbH. The client may contradict in writing the findings within two weeks.

9.3 Unless otherwise agreed in individual contracts, payments are due within 14 days of the invoice date.

9.4 All prices are plus applicable VAT at the time of service.

9.5 A set-off against claims of STC-Engineering GmbH is permitted only with undisputed or legally established claims. The assignment of claims to third parties is not possible.

9.6 Any specified cost estimates or other price information and derivable price volumes are non-binding. The estimated quantities are based in good faith and with the inclusion of experience of the required scope of services. If STC-Engineering GmbH determines during the service performance that the quantities or price volumes will be exceeded, it will immediately inform the client in writing. The overrun of the amount quantities or price volumes only takes place with the written approval of the client.

9.7 If agreed and scheduled services cannot be provided by reasons STC-Engineering GmbH is not responsible for, waiting and down times in the amount of affected performance contingent will be invoiced. As far as STC-Engineering GmbH deploys the employees affected by waiting and down times otherwise, the claim for compensation will be reduced by the proceeds otherwise achieved.

## 10. Non-solicitation agreement:

During the contract period as well as six months after termination of the contract, both parties have a negative covenant to headhunt employees or sub-contractors of the other party. If the client at this time enters a contract of employment with the employee or subcontractor of STC-Engineering GmbH, in connection with the skills and works that the employee or contractor has carried out for STC-Engineering GmbH, this is considered as a recruitment agency. Thereby resulting a reasonable fee plus VAT for each individual case to STC-Engineering GmbH.

## 11. Non-disclosure agreement:

11.1 The parties agree to treat as confidential all as part of the contract acquired knowledge of confidential information and company secrets of the other party indefinitely, especially after the termination of cooperation.

11.2 The obligation of secrecy shall not apply to confidential information and company secrets, (i) that were already public at the time of disclosure or thereafter known publicly, without a non-compliance with the preceding provisions, (ii) that are expressly disclosed by a contract party on a non-confidential basis, (iii) that were in a legal ownership of the other party prior to the disclosure, or (iv) that will be disclosed subsequently by a third party without a breach of any obligation of secrecy.

## 12. Commercial property rights and working results:

12.1 All documents that are provided by the client for the realization of the order and all work results that are achieved by the contractor or its employees during the execution of the order, are or will be property of the client with accrual.

12.2 If above not otherwise defined, STC-Engineering GmbH does not assume liability within the scope of service contracts, for the particular required performance result of the client, in particular not that it is free from third party property rights or do those not offend. The accuracy and usability of each performance result is up to the client.

## 13. Liability and compensation:

13.1 STC-Engineering GmbH is liable for deliberate or grossly negligent caused damages that are covered by the contractual agreed liability insurance.

13.2 Apart from that, STC-Engineering GmbH is only liable for damages based on a breach of duty as a result of simple negligence, where the fulfillment of the purpose of the contract is of particular importance (cardinal duty). The same applies in the case of a delict statutory violation.

13.3 In such a case, in accordance with point 13.2, the liability is limited to an amount equal to twice the amount paid according to the contract.

13.4 Claims for compensation of the client do prescribe in a year, unless a shorter period is agreed and pending point 13.1. The period begins at the end of the year in which the claim occurs and the client gains knowledge of the claim causing circumstances and the person of the debtor or without gross negligence might have been gained knowledge.

13.5 The above regulations also do apply to the employees and vicarious agents of STC-Engineering GmbH.

## 14. Termination:

14.1 Regardless of the right of immediate termination of the contract, contracts for an indefinite period can be terminated by both parties with a notice period of 14 days to the end of the month. Contracts with a fixed term can be terminated at the same time, if this is expressly agreed in the individual order. Otherwise contracts can only be terminated on both sides with reason. An important reason is especially given when facts occur due to them the terminating party cannot continue the contract reasonably, considering all circumstances of the individual case and balancing all interests of the contracting parties. If the client terminates the contract without reason and STC-Engineering GmbH accepts the termination or if STC-Engineering GmbH terminates with reason attributable to the client, STC-Engineering GmbH retains the full, outstanding or expected compensation for the complete project, debased by the saved expenses.

The contracting parties reserve the right to provide proof of a higher or lower damage.

14.2 The termination must be in writing.

## 15. Closing provisions:

15.1 The respective individual contract and these General Terms and Conditions of STC-Engineering GmbH contain the complete agreements of the contract parties regarding the subject of the contract. These GTC shall apply exclusively; conditions opposing or deviating from these GTC of the contractor will not be accepted unless STC-Engineering GmbH has approved them in writing in the individual case.

15.2 Oral additional agreements are not made. Previously made statements of the contract parties are invalid unless they became part of the contract.

15.3 All contractual changes and additions have to be in writing. Also the modification of this provision has to be in writing.

15.4 If any part of each individual contract or of these GTC are invalid or became impracticable, the remaining provisions shall not be affected. The contract parties obligate themselves to replace the invalid or impracticable provision by a valid or practicable provision which comes as close as possible to the pursued economic purpose.

15.5 Only the law of the Federal Republic of Germany under exclusion of the UN Convention on the international sale of goods is applicable. Place of fulfillment for any due performances by STC-Engineering GmbH is Waldenburg/Saxony/Germany.

15.6 The place of jurisdiction for all disputes arising in connection with the individual contract is Waldenburg/Saxony/Germany.