

## General terms and conditions for projects and consultancy services

of Know How! Aktiengesellschaft (incorporated company), Magellanstraße 1, D - 70771 Leinfelden-Echterdingen

### 1. Validity

Delivery and performance of Know How! AG are to be carried out exclusively on the basis of this general terms and conditions.

If the performance of Know How! AG includes training services, the general terms and conditions for company seminars apply additionally. If the projects respectively the performance of Know How! AG include delivery of licence products, the general terms and conditions for delivery of licence products of Know How! AG apply additionally. Those two terms and conditions are to be found on the website of Know How! AG provided for downloading.

Divergent arrangements shall apply only by written confirmation of Know How! AG. Not later than on acceptance of the product or performance these conditions are considered accepted. Conflicting terms and conditions of the customer are only accepted if they are explicitly accepted by written confirmation of Know How! AG. Supplements to the agreement as well as amendments to the contract are void, insofar as they are not accepted by written confirmation of Know How! AG.

### 2. Offer and conclusion of contract

The offers of Know How! AG are subject to change without notice and non-binding. A contract is only effective if Know How! AG confirms an order from the buyer in written form or by telex. Same applies to amendments, modifications or supplements to the agreement. Know How! AG reserves the right to confirm the conclusion of a contract through invoicing.

### 3. Products and performance

Amount and type of performance by Know How! AG are to be described as detailed as possible in the offer respectively in the contract. The services of Know How! AG are further developed on the basis of the above and in the context of project management. Know How! AG is - subject to a presetting in the contract or offer – free to define design and implementation of their performance. In so far as Know How! AG is to use external services, particularly tools, standard software or media from third party suppliers, Know How! AG will be authorised to do so in the name of and for the account of the customer under the terms of the third party supplier. The customer will consider all corresponding conditions of the third party supplier and if applicable carry out all necessary contract- or licence extensions self-dependently. Should the customer engage further service providers, they will be classified as auxiliary person to the customer. Know How! AG is authorised to engage sub-contractors or freelancers.

### 4. Pay

All prices are understood - unless specified differently - plus statutory value-added tax and plus packaging and dispatch costs in the currency respectively indicated on the invoice. The compensation rates stated in the offers are non-binding. The prices mentioned in the confirmation of order are decisive. Additional services such as dispatch and insurance are charged for separately. Unforeseeable modifications of customs duties, import and export duties, the currency control and so forth, authorise Know How! AG to respectively adjust the compensation rate.

Unless otherwise agreed, performance of Know How! AG will be effected depending on the duration of use on the basis of the service actually provided to the standard hourly rates of Know How! AG. Every started half hour is counted one billing interval.

If daily rates are agreed, they will comprise eight hours of work during the usual hours of business of Know How! AG. Insofar as Know How! AG, upon the request of the customer, acts during hours different from those usual of business, hourly or daily rates will be raised by 50 %.

Insofar as fixed prices are agreed, Know How! AG is authorised to adjust those, if the scope of work, upon request of the customer, changes during duration of the contract. Know How! AG is free to demand instalment payments. If accounting depending on the duration of use is agreed, Know How! AG is authorised to invoice on a monthly basis.

## 5. Travelling and accommodation expenses

All arising travelling expenses, travel time as well as necessary expenses for overnight accommodation are generally charged at extra cost.

Accommodation expenses including breakfast, taxi, rail- and air journey will be invoiced based on the expenses that have arisen.

The following applies for rail- and air journey:

- Rail journey: generally second class
- Flights within one country or continent: economy class
- Intercontinental flights, flights with duration of more than 7 hours or flights over night: business class

Per driven kilometre by car 0.50 Euros are charged.

Travel times are charged with 50 % of the daily rate of the particular employee. If no rates for working time are agreed upon, travel times will be charged with 55.00 Euros per hour. In case of time shifting caused by the client, noncancellable travel expenses and any possible cancellation expenses will be charged.

Additional expenses for catering of the employees of Know How! AG due to work-related travelling, which have to be paid free of tax from Know How! AG to their employees, are to be refunded.

## 6. Dispatch and payment

Invoices of Know How! AG are to be paid within 14 days. All invoice amounts are to be transferred to the account mentioned on the invoice, net without deduction of discount, bonus or further reductions and at no charge for Know How! AG. An offsetting of payables, credit items and demands is explicitly forbidden. Differing regulations only apply by written confirmation of Know How! AG.

## 7. Period of performance

All agreed deadlines need to be exercised in writing. All deadlines indicated through

Know How! AG shall apply with the provision that incoming deliveries are made in time. Partial delivery and partial performance are acceptable. Failure to meet the obligation does not occur in the event of force majeure and further events which essentially complicate the delivery for Know How! AG temporarily or make it impossible. This especially includes breakdowns, force majeure, strike and so on; whether they arise in the vendor's own company or in the provider's or sub-contractor's company. In this case the buyer has no right to compensation for damage or delay for non-performance. If performance is delayed due to the responsibility of the customer (e.g. not providing cooperation services on time), Know How! AG is authorised to postpone this performance by the duration of the impediment and a reasonable start-up period.

## 8. Obligations of the customer

The customer shall support Know How! AG in service provision unsolicited and to a reasonable extent. The customer will provide Know How! AG with all necessary information, material and documentation. If performance is to be carried out at the customer's company, the therefore necessary equipment will be provided as well.

The customer will name a qualified contact person to Know How! AG that shall not be replaced for the duration of the particular project and is fully entitled to execute and receive an obliging declaration.

## 9. Reservation of proprietary rights/rights of use

The extended reservation of title applies for all the deliveries and performances of Know How! AG until full payment of any claims resulting from the business relationship with the customer, however the kind of demands or their legal justification may be.

The granting of rights shall always be made on the suspensive condition of complete remuneration for the performance of Know How! AG. Until payment is made in full, the customer is allowed to only use the products delivered by Know How! AG within in the scope of services to be rendered by him (e.g. performing of tests).

This right of use expires if the customer is in default with full payment or with parts of it.

Subject to differing regulations the customer is granted a simple, non-exclusive and non-transferable right of use.

## 10. Warranty

Work performance effected by Know How! AG is subject to acceptance. The approval – also of subprojects – is to be declared in written form at the customer's request. After written demand of Know How! AG the customer is to declare approval within 14 running days. After expiration of this deadline the performance offered for approval is considered accepted. The period of warranty for all products and services of Know How! AG is 6 months.

Warranty claims shall initially be restricted to subsequent improvement – or at the discretion of Know How! AG – to compensation delivery. The customer is only entitled to withdraw from the contract or to demand price reduction if the subsequent improvement or the compensation delivery have failed. A supplementary performance has failed if there have been several attempts that failed and further try cannot be expected from the customer. Product descriptions of all form shall not count as assured characteristics.

The customer is obligated to give written notice about any faults, as soon as they have come into his attention. Provided that the customer is a merchant in the sense of the German Commercial Code (HGB) the commercial obligation to examine and report defects shall apply.

## 11. Liability

Unless specified otherwise below all liability of Know How! AG for direct and indirect damages is excluded, insofar as the liability is not due to a deliberate act, gross negligence or culpable damage to life, body or health. The exclusion of liability shall apply for all direct and indirect damages such as consequential harm caused by a defect, loss of profit, damages in respect of other persons and property, data loss, additional personnel costs, useless expenditures and omitted savings. Liability for sub-contractual infringements shall be excluded. In the event of a liability of Know How! AG there is a limitation

to a maximum of 5 % of the entire remuneration agreed upon exclusive of VAT. This does not apply to liability arising from wilful intent.

Claims for damages of the customer lapse after one year from the date on which the customer registers the damage and the circumstances from which the entitlement to benefits occurs. Exceptions to this rule relate to claim for damages due to wilful intent or gross negligence.

## **12. Confidentiality, non-solicitation agreement, data protection**

The parties to this agreement mutually commit themselves to keep any accessible information of the other contracting party in the context of this contract or rather the individual contracts which are marked as confidential or which are due to other circumstances clearly recognisable as business or trade secrets of the contracting party, secret for an unlimited period and not to - unless it is required for the performance of the contract purpose - record, forward to third parties or use in any form. This shall not apply to information which is already known by the receiving contractual partner or will become known without connection to the contractual relationship. The contractual partners will not entice away or engage any employees, which were involved with the cooperation, for a period of at least one year after the last day of participation without approval of the other contractual party. The contractual partners will observe the statutory provisions concerning data protection, especially the regulations of the Federal Data Protection Act (BDSG) and oblige their employees appropriately.

## **13. Court of jurisdiction/applicable law**

The place of contractual fulfilment and exclusive court of jurisdiction, unless otherwise required by law, is for both parties Leinfelden-Echterdingen. The contractual relationship is subject to German law.

## **14. Further provisions**

Should individual terms of this general terms and conditions be or become inoperative or invalid with legal provisions then this shall not affect the validity of the rest of the contract. The parties shall by common consent replace the invalid provision with a provision having legal effect that corresponds closest to the economic purpose of the invalid provision.

**General terms and condition of January 2014**