
Terms and Conditions for Contract for Work and Services

§ 1 Scope of Contract

- 1.1 Vector shall develop the work as specified in writing on the basis of Vector's rules for development and documentation following the current state of the art. The requirements defined pursuant to § 2.3 (final specification) and § 4.2 shall be binding.

§ 2 Performance

- 2.1 Vector shall name a project manager, the customer shall name a representative. Both shall promptly give on their authority or provide all authorizations required. Vector's project manager shall record all decisions in minutes. The representative shall provide all information required. Vector shall contact the representative as required to insure the proper performance of the mutual obligations.
- 2.2 In concert with the customer, Vector shall prepare a detailed time schedule for the performance of the tasks at the beginning of the performance and revise it from time to time if necessary.
- 2.3 The customer shall examine all planned interim results and comment on them in writing within 2 weeks. In addition, the customer shall participate in planned reviews and other interim audits. Vector shall deliver pertaining material in advance. The customer shall give its opinion to these audits in writing within 1 week after their completion. Approved interim results shall be the binding basis for the further work. The agreed on timelines may be modified by Vector in the detailed time schedule in concert with the customer.
- 2.4 The services shall be performed at the customer's location if necessary. In this event the customer shall provide Vector sufficient access to the required IT-system for developing and testing.

§ 3 Rights of Use

- 3.1 The customer may use the work at its liberty.
- 3.2 Vector shall not be restricted to use the gained know-how and to perform similar works for other customers in the same application area as the work performed for the customer, provided that Vector complies with § 10.

§ 4 Change Request

- 4.1 If the customer requests Vector to undertake a change of the specified work, including an addition to it, and if the requested change is reasonable and acceptable, Vector shall agree. If the realization of such a request results in any burden on Vector's side, Vector is entitled to an appropriate adaptation of the terms of the contract, in particular to the extension of time for the completion of the work and/or to additional compensation.
- 4.2 Changes and resulting adaptations of the terms of the contract must be confirmed in writing by both parties. If the customer requests a change orally, Vector may request the customer to deliver it in writing, or Vector may confirm it in writing itself. In the second event the wording of Vector's confirmation shall be deemed to express Client's request correctly unless Client objects in writing without delay.
- 4.3 Vector shall submit requests for adaptation without delay. The customer shall notify Vector without delay if the customer disagrees with the requested adaptation.

§ 5 Delivery and Acceptance

- 5.1 The customer shall confirm the receipt of the work in writing.

- 5.2 The customer agrees to examine the work and to confirm its acceptance in writing if it meets the final agreed on specification. Unless otherwise agreed, the acceptance test period shall be 2 weeks.
- 5.3 The customer is deemed to have accepted the work if the use of the work has not been substantially restricted by a reported defect after the end of the agreed on acceptance test period.

§ 6 Charges and Payments

- 6.1 If it is agreed to remunerate Vector on the basis of time consumed, working time, traveling expenses and incidental expenses shall be paid in accordance with Vector's price list. Vector may submit invoices on a monthly basis.
- 6.2 In case the value of an order exceeds EUR 25,000.00, a fixed price shall be paid as follows, unless otherwise agreed:
- 30 % with the conclusion of the contract,
 - 50 % with delivery,
 - 20 % with acceptance.
- All support (including specifically installation, brief or extended training, consultancy) shall be reimbursed separately unless it is expressly included in the fixed price.
- 6.3 Payments shall be due without deductions 30 days after invoicing.
- 6.4 Duties, taxes and levies including VAT – if applicable – shall be paid by the customer on all prices.

§ 7 Disruptions in the Performance

- 7.1 In the event of any circumstances for which Vector is not responsible and which adversely affect the performance of the contractual obligations, including strike and lock-out, Vector is entitled to an appropriate adaptation of the terms of the contract, in particular to an appropriate extension of the delivery date. If the cause is attributable to the customer and results in additional efforts to Vector, Vector is also entitled to additional compensation.

§ 8 Warranty

- 8.1 The customer shall report defects with a reasonable substantiation. Vector shall correct defects reported during the legal period of warranty within a reasonable period of time and at no costs to the customer.

The customer is only entitled to raise claims, if the customer can reproduce it or demonstrate it by using computer output.

Upon request, the customer shall give all necessary support to Vector, and in particular provide a copy of the relevant program being used when the defect appeared. The customer shall provide testing time on the customer's IT-system and install corrections delivered by Vector.

- 8.2 Vector shall, without delay and at no cost to the customer, effect subsequent performance, i.e. at Vector's discretion replace the defective work or correct any defects.
- 8.3 The obligation to effect subsequent performance is expressly excluded if the customer modifies the work or manipulates it in any other way, unless the customer proves that the defect did not result from the modification or manipulation.
- 8.4 If the customer cannot prove that a reported defect has turned out to be a defect, Vector is entitled to reimbursement of Vector's costs for the investigation of the alleged defect.

§ 9 Vector's Liability

9.1 If Vector is in delay with the primary or subsequent performance, the customer is entitled to ask for it within an adequate period of time. If Vector definitely fails to effect the primary or the subsequent performance, in particular to cure the breach of contract within the notified period, the customer may exercise its statutory rights, claims for damages only within the limitations pursuant to § 9.3. Vector may set a period within which the customer must declare whether or not the customer still requests primary or subsequent performance. If the customer does not request primary or subsequent performance timely, the customer may not claim for it any longer.

9.2 The period of warranty (the limitation period for claims based on defects) shall be 24 months.

9.3 Vector – including any person engaged in performing any obligation under this contract – shall be liable for damages under any claim based on normal negligence only if Vector breaches a basic obligation of the contract which jeopardizes the contract goal (cardinal obligation). In this event Vector's liability shall be restricted to EUR 100,000.00 or the contract value whichever amount is higher. The restriction shall not apply to breaches of the confidentiality obligation.

The customer may claim for a higher maximum, but Vector may then require a surcharge for the aggravated risk.

The restrictions shall not apply to the extent the damages are covered under Vector's business liability insurance provided the insurance company has paid Vector.

Claims for personal injury shall remain unaffected.

§ 10 Confidentiality

10.1 Vector shall keep the customer's trade and business secrets confidential, as well as all other information obtained by Vector under or in connection with this contract, designated in writing as confidential by the customer. Vector shall have no obligation with respect to any information (i) already in Vector's possession, (ii) independently developed by Vector, or (iii) publicly known through no wrongful act of Vector. This obligation shall be unlimited in time.

10.2 Notwithstanding the terms of § 10.1, Vector is not obliged to keep confidential any ideas, concepts, know-how or techniques related to Vector's development of software.

10.3 Vector shall oblige its employees to adhere to the confidentiality obligations.

10.4 Vector may enter the customer's name into its list of customers together with a short description of the Vector's performance. All other references that the customer is Vector's customer are subject to the customer's approval.

§ 11 Miscellaneous

11.1 The contract shall constitute the entire agreement between the parties and shall not be altered, amended or cancelled, except in writing and with the consent and signature of all parties concerned.

11.2 The contract shall conform with and be governed by the laws of the Federal Republic of Germany without regard to its choice of law rules and excluding the provisions of the United Nations Convention on Contracts for the International Sale of Goods. Exclusive venue shall be Vector's main place of business.